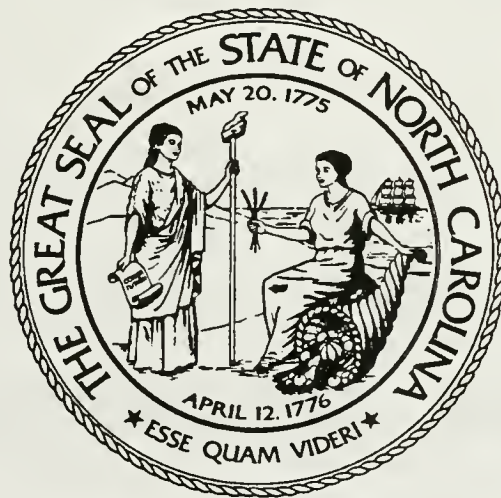


JOINT LEGISLATIVE COMMISSION ON SEAFOOD AND AQUACULTURE



REPORT TO THE
1995 GENERAL ASSEMBLY
OF NORTH CAROLINA

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NORTH CAROLINA GENERAL ASSEMBLY

January 12, 1995

TO THE MEMBERS OF THE 1995 GENERAL ASSEMBLY:

Pursuant to G.S. 120-70.60, et seq., as amended, the Joint Legislative Commission on Seafood and Aquaculture hereby submits its report of recommendations and findings to the 1995 Regular Session of the General Assembly.

Respectfully submitted.

A handwritten signature in cursive script, appearing to read "Charles W. Albertson".

Senator Charles W. Albertson

A handwritten signature in cursive script, appearing to read "E. David Redwine".

Representative E. David Redwine

Co-chairs

Joint Legislative Commission on
Seafood and Aquaculture

INTRODUCTION

The Joint Legislative Commission on Seafood and Aquaculture (hereinafter the "Joint Legislative Commission") is an independent, permanent legislative commission that has oversight responsibility for issues involving coastal resources, marine issues, and aquaculture. The authorizing legislation for the Joint Legislative Commission may be found in Art. 12F of Chapter 120 of N.C.G.S. 120-70.60, et seq. (See Appendix A). The 15-member Joint Legislative Commission, co-chaired by Senator Charles W. Albertson of Duplin County and Representative E. David Redwine of Brunswick County, has focused its attention during the 1993-95 biennium on measures geared toward restoring the State's declining fishery resources. (See Appendix B for membership of Commission).

The Joint Legislative Commission filed a brief report to the 1994 General Assembly (Regular Session) and the Legislature enacted all of the legislative proposals including: 1) An Act to Create a Separate Crab License, to Establish a Two Year Moratorium on Specified Fishing Licenses, and to Appropriate Funds to Study the Fishery During the Moratorium; 2) An Act to Extend the Deadline on Submerged Lands; 3) An Act to Create a Blue Ribbon Advisory Council to Study and Make Recommendations Concerning Policies and Management of the State's Oyster Resources; and 4) An Act to Appropriate Funds for the Fisheries Data Information System Established by the Endorsement to Sell Fish Program. (See Appendix C for a copy of that Report).

During the 1994-95 fiscal year, the Joint Legislative Commission met five times and continued their discussions on a number of issues including: 1) implementation of the two-year moratorium on fishing licenses, including the appeals process; 2) implementation of the Endorsement to Sell Program; 3) review of a

proposal by the Marine Fisheries Commission concerning a saltwater recreational fishing license; 4) seafood safety and inspections; 5) overview of the State's mariculture and the shellfish leasing program; 6) review of the Division of Marine Fisheries Law Enforcement Program; and 7) progress reports from the Moratorium Steering Committee and the Oyster Blue Ribbon Panel.

The Joint Legislative Commission held its final meeting prior to the 1995 Legislative Session on January 12, 1995 to approve their proposed recommendations for the 1995 General Assembly. A discussion of recommendations follows.

RECOMMENDATIONS AND DISCUSSION

Fisheries Moratorium

The 1994 General Assembly enacted legislation that created a two-year moratorium (effective July 1, 1994 - July 1, 1996) on new vessel, crab, and shellfish licenses, and non-vessel endorsements to sell fish. (See Appendix D for summary and text of legislation). The Joint Legislative Commission carefully monitored the implementation of the moratorium and the appeals process for those persons not eligible for licenses. In addition, Robert V. Lucas, Chair of the Marine Fisheries Commission and the Moratorium Steering Committee provided progress reports to the Joint Legislative Commission of the Moratorium Steering Committee, including that Committee's "Goals and Objectives During the Marine Fisheries License Moratorium" (See Appendix E). The Moratorium Steering Committee will continue to work with the Sea Grant College Program at NCSU to prioritize those issues that need further research over the next year in order to revitalize the fisheries resources. A final report, including recommendations, will be prepared for the Joint Legislative Commission in October, 1995.

The Joint Legislative Commission was hesitant to make recommendations to the 1995 General Assembly on substantive changes to existing programs, creating new license programs, or establishing restrictions on gear until the Moratorium Steering Committee has completed its comprehensive study of the fisheries program. The Joint Legislative Commission recognized the continued pressure on the Marine Fisheries Commission and lack of support staff to pursue proper management of the resource.

The Joint Legislative Commission recommends Legislative Proposal III, to appropriate \$90,000 for the 1995-96 fiscal year and \$90,000 for the 1996-97 fiscal year to the Department of Environment, Health, and Natural Resources to fund the official activities of the Marine Fisheries Commission including two positions.

Following is a discussion of other issues and recommendations that may be impacted by the moratorium:

1. Study the effect of littering on water pollution: The Joint Legislation Commission is required to report to the 1995 General Assembly on this topic. The Joint Legislative Commission heard a number of speakers concerning littering along our coast and waterways, and discussed ways in which to improve clean-up and enforcement of littering. Suggestions included: expanding the Big Sweep program to include youthful offenders; providing better education to people as to what is considered littering; creating a program entitled, "Adopt a Waterway" (similar to the current "Adopt a Highway" program); and increasing enforcement of litter laws through stronger penalties and better enforcement.

2. Study the implementation of the Endorsement to Sell Program: The Division of Marine Fisheries provided several reports on the implementation of the Endorsement to Sell Program. The Division is inputting all information obtained from the "trip tickets" and will be able to generate reports detailing the types of fish caught, weight, location, etc. to help better manage the fishery within the State and at the federal level. This type of information was used when North Carolina demonstrated that, through the collection of data, the State should have a higher quota in a particular fishery.

The program has not generated as much money as the Division originally projected, and several suggested changes were discussed including: changing the fee structure from a vessel license to an individual license, as well as modifying the program to address the current system of requiring multiple endorsements to sell for owners of more than one vessel. The Joint Legislative Commission expressed concern that the Division's proposed individual fee would be increased to cover expenses. In addition, it would be necessary to determine whether each crew member would need a license, or only the Captain of the vessel. Finally, the Joint Legislative Commission discussed problems with the daily trip ticket program and recommended that the Division consult with fish dealers in addressing their concerns. Following a survey by the Division, modifications were made to allow weekly reporting. Further recommendations will be incorporated in the Moratorium Steering Committee's report in October, 1995.

3. Recreational Saltwater Fishing License: In 1994, the Marine Fisheries Commission was directed by the Legislative Research Commission to study the feasibility of a saltwater recreational fishing license and to make a recommendation to the General Assembly on that issue. The Marine Fisheries Commission created a subcommittee to study the license and that committee developed a draft proposal for the license and held numerous public hearings on the subject. The full Marine Fisheries Commission considered the saltwater recreational license and adopted a resolution to support the concept of the license and recommended that it be considered in the context of the overall study of the fishery by the Moratorium Steering Committee and Sea Grant under the two-year moratorium (See Appendix F for the text of that resolution).

The Joint Legislative Commission heard progress reports from the Commission during the public hearings at several different meetings and discussed the resolution adopted by the Marine Fisheries Commission at its December, 1994 meeting. The Joint Legislative Commission expressed concern over some of the details outlined in the draft proposal used by the Marine Fisheries Commission, including: 1) the distribution of the proceeds of the license fees; 2) whether the license should be required for all recreational fishing or only for "hook-and-line" fishing; 3) whether the license would impact commercial fishing; 4) whether the cost of the license would be viewed as a tax; and 5) whether the proceeds would be used to restore the resource.

Members of the Joint Legislative Commission, as well as many interested parties, expressed concern that it would be untimely to propose a new license while the Moratorium Steering Committee and Sea Grant are studying the entire fishery resource, including the overall license structure. Based on this information, the Joint Legislative Commission recommended that the Commission support the concept of a saltwater recreational fishing license and that such a license be considered in the context of the two-year moratorium.

Oyster Blue Ribbon Advisory Panel

In 1994, the General Assembly enacted legislation to create the Oyster Blue Ribbon Advisory Panel following the recommendation of the Joint Legislative Commission. The Joint Legislative Commission heard progress reports from the Panel and toured the aquaculture program at Dixon High School in Sneads Ferry. The 19-member Panel will be making recommendations in their report to the Joint Legislative Commission in October, 1995. Among the issues to be studied are: 1) restoration of oyster production on public beds; 2) development of aquaculture production of oysters;

3) management of reefs; 4) zoning and protective measures; 5) marketing and economic development of oysters including value-added products and processing; 6) changes in the leasing program; and 7) development of a management plan. The Joint Legislative Commission recognizes the need to continue to support the Shellfish and Mariculture programs and recommends the following Legislative Proposals:

1. Shellfish Leasing Program: The Joint Legislative Commission heard reports concerning the problems in North Carolina's Shellfish Leasing Program. The Joint Legislative Commission is required to report to the 1995 General Assembly on this issue. Leases are difficult to obtain, and commercial quantities are difficult to maintain in order to keep the lease. In order to improve oyster cultivation, and to expand mariculture, the Division believes that this program must be strengthened. The Oyster Blue Ribbon Panel will formulate recommendations concerning the Leasing Program and will include those recommendations in their report.

The Joint Legislative Commission recommends Legislative Proposal I, to appropriate \$263,718 for the 1995-96 fiscal year and \$134,838 for the 1996-97 fiscal year to the Department of Environment, Health, and Natural Resources, Division of Marine Fisheries for four additional positions.

2. Shellfish Mapping: The Joint Legislative Commission heard a report from the Division concerning the progress made by the Division and the significance in continuing this program. The Shellfish Mapping Program provides the Division with the tools needed for identifying and managing shellfish habitat through assessing stocks and setting harvest limits. The program has the potential for better management through planning, development, zoning, and gear restrictions in designated areas.

These issues will be reviewed by the Oyster Blue Ribbon Panel and included in their report.

The Joint Legislative Commission supports the Shellfish Mapping Program and recommends Legislative Proposal II, to appropriate \$177,303 for the 1995-96 fiscal year and \$119,994 for the 1996-97 fiscal year to the Department of Environment, Health, and Natural Resources, Division of Marine Fisheries for three positions.

3. Shellfish Enhancement Program: Based on a recommendation from the Joint Legislative Commission, Dr. Pete Peterson received funding for a three-year project to study bay scallops, clams and oysters. The research has been extremely successful in helping to restore bay scallops and clams. Dr. Peterson presented a proposal to continue his work to help restore oysters. The habitat for oysters is the most widespread along our coast, and restoration of the oysters has the potential for a positive economic impact in North Carolina. In addition, oysters improve water quality by their filtration systems and provide natural reef habitat for important fish resources. Water pollution has been one of the most serious problems facing our declining resources. The proposed project would create five pilot restoration programs for model oyster reefs along the coast in conjunction with the universities and Division. Results of this research will be used by the Oyster Blue Ribbon Panel in evaluating their recommendations.

The Joint Legislative Commission recommends Legislative Proposal V to appropriate \$350,000 for the 1995-96 fiscal year and \$250,000 for the 1996-97 fiscal year to the Cooperative Institute for Fisheries Oceanography to continue to operate a shellfish enhancement program.

Marine Fisheries Law Enforcement

The Joint Legislative Commission heard a number of reports concerning law enforcement, including inadequate enforcement on the water, poor use of personnel (i.e., posting signs and notices instead of enforcing the marine fishery laws), unclear goals and objectives, inadequate fines for violations of fishery laws, and lack of funding to support the program. The Marine Fisheries Commission reported that they passed a rule in December, 1994, to allow the implementation of replacement costs for fishery law violations pursuant to statutory authority granted in 1979. The rule becomes effective March 1, 1995. The Wildlife Resources Commission adopted rules in 1980 based on that authority. G.S. 113-267 sets forth the authority to use replacement costs. That statute provides that a person who violates fishery laws is placed on probation and, as a condition of that probation, the violator must restore the resource that he damaged. The money collected from the fines will go back to the Division, but it is unclear how much money will be collected.

The Joint Legislative Commission has supported prior funding requests for the Law Enforcement Patrol, and recommends **Legislative Proposal IV to appropriate from the General Fund to the Department of Environment, Health, and Natural Resources, Division of Marine Fisheries, the sum of \$1,281,892 for the 1995-96 fiscal year for seven positions for law enforcement personnel including equipment.**

Additional Issues

1. Seafood Safety/Inspections: The Joint Legislative Commission heard considerable discussion about seafood safety and the inspection process. While it appears that North Carolina has one of the best inspection programs in the United States, several commission members were concerned that North Carolina seafood would not be competitive with foreign imports because those products were not subject to the same stringent inspection requirements. The price for North Carolina seafood has

become more costly due to increased regulations. Inspections of seafood occur at different levels and by different agencies. Seafood processing facilities in North Carolina are inspected by the Department of Agriculture. If a processor sells seafood to a major chain, the seafood is inspected by the U.S. Department of Commerce under a voluntary program. Misabeled seafood may be rejected, but there are no requirements (nor is there a mechanism for enforcement) that foreign seafood processors meet the same inspection regulations. In addition, in 1995, the federal "Hazardous Critical Control Plan" (HASIP) will become effective, which will require seafood processors to develop management plans for their facilities. The Joint Legislative Commission plans to continue to monitor this program.

2. Other issues: In 1994, the General Assembly created a \$1,000,000 Fisheries Resource Grant Program to enable fishermen and women to research industry trends, test equipment and design other experiments relevant to the fishery resource. The Joint Legislative Commission will continue to monitor this program. In addition, the Joint Legislative Commission plans to explore funding hatcheries to restore the resources.

APPENDIX A

ARTICLE 12F.

Joint Legislative Commission on Seafood and Aquaculture.

§ 120-70.60. Committee established.

The Joint Legislative Commission on Seafood and Aquaculture is hereby established as a permanent joint committee of the General Assembly. As used in this Article, the term "Commission" means the Joint Legislative Commission on Seafood and Aquaculture.

§ 120-70.61. Membership; cochairmen; vacancies; quorum.

The Joint Legislative Commission on Seafood and Aquaculture shall consist of 15 members: four Senators appointed by the President Pro Tempore of the Senate; four Representatives appointed by the Speaker of the House of Representatives; four members appointed by the Governor; and three members appointed by the Commissioner of Agriculture. The members shall serve at the pleasure of their appointing officer. The President Pro Tempore of the Senate shall designate one Senator to serve as cochairman and the Speaker of the House of Representatives shall designate one Representative to serve as cochairman. Vacancies occurring on the Commission shall be filled in the same manner as initial appointments. A quorum of the Commission shall consist of eight members.

§ 120-70.62. Powers and duties.

The Commission shall have the following powers and duties:

- (1) To monitor and study the current seafood industry in North Carolina including studies of the feasibility of increasing the State's production, processing, and marketing of seafood;
- (2) To study the potential for increasing the role of aquaculture in all regions of the State;
- (3) To evaluate the feasibility of creating a central permitting office for fishing and aquaculture matters;
- (4) To evaluate actions of the Marine Fisheries Division of the Department of Environment, Health, and Natural Resources, the Wildlife Resources Commission of the Department of Environment, Health, and Natural Resources and of any other board, commission, department, or agency of the State or local government as such actions relate to the seafood and aquaculture industries;
- (5) To make recommendations regarding regulatory matters relating to the seafood and aquaculture industries including, but not limited to:
 - a. Increasing the State's representation and decision-making ability by dividing the State between the Atlantic and South Atlantic regions of the National Division of Marine Fisheries; and
 - b. Evaluating the necessity to substantially increase penalties for trespass and theft of shellfish and other aquaculture products;
- (6) To review and evaluate changes in federal law and regulations, relevant court decisions, and changes in technology affecting the seafood and aquaculture industries;
- (7) To review existing and proposed State law and rules affecting the seafood and aquaculture industries and to determine whether any modification of law or rules is in the public interest;

- (8) To make reports and recommendations, including draft legislation, to the General Assembly from time to time as to any matter relating to the powers and duties set out in this section; and
- (9) To undertake such additional studies as it deems appropriate or as may from time to time be requested by the President of the Senate, the President Pro Tempore of the Senate, the Speaker of the House of Representatives, either house of the General Assembly, the Legislative Research Commission, or the Joint Legislative Commission on Governmental Operations, and to make such reports and recommendations to the General Assembly regarding such studies as it deems appropriate.

§ 120-70.63. Additional powers.

The Commission, while in the discharge of official duties, may exercise all the powers of a joint committee of the General Assembly provided for under the provisions of G.S. 120-19, and G.S. 120-19.1 through G.S. 120-19.4. The Commission may meet at any time upon the call of either cochairman, whether or not the General Assembly is in session. The Commission may meet in the Legislative Building or the Legislative Office Building upon the approval of the Legislative Services Commission.

§ 120-70.64. Compensation and expenses of members.

Members of the Commission shall receive per diem and travel allowances in accordance with G.S. 120-3.1 for members who are legislators, and shall receive compensation and per diem and travel allowances in accordance with G.S. 138-5 for members who are not legislators.

§ 120-70.65. Staffing.

The Legislative Administrative Officer shall assign as staff to the Commission professional employees of the General Assembly, as approved by the Legislative Services Commission. Clerical staff shall be assigned to the Commission through the Offices of the Supervisor of Clerks of the Senate and Supervisor of Clerks of the House of Representatives. The expenses of employment of clerical staff shall be borne by the Commission.

§ 120-70.66. Funding.

From funds available to the General Assembly, the Legislative Services Commission shall allocate monies to fund the Joint Legislative Commission on Seafood and Aquaculture.

**JOINT LEGISLATIVE COMMISSION ON SEAFOOD AND AQUACULTURE
MEMBERSHIP LIST
1993 - 1995**

President Pro Tempore's Appointments

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NORTH CAROLINA GENERAL ASSEMBLY

May 19, 1994

MEMORANDUM

TO: The Honorable Daniel T. Blue, Jr., Speaker of the House of Representatives
The Honorable Marc Basnight, President Pro Tempore of the Senate

FROM: Rep. E. David Redwine and Senator Charles W. Albertson, Co-Chairs,
Joint Legislative Commission on Seafood and Aquaculture

RE: Report to the 1994 Regular Session of the General Assembly

**Report from the Joint Legislative Commission on
Seafood and Aquaculture**

Issues Referred by the Legislative Research Commission

The Joint Legislative Commission on Seafood and Aquaculture is an independent, permanent legislative commission that has oversight responsibility for state issues involving coastal resources, marine issues, and aquaculture. The Joint Legislative Commission met five times during the 1993-94 fiscal year. The Joint Legislative Commission discussed the effect of littering on water pollution (Sponsor: Rep. Gottovi/Sen. Perdue; Part 6 of SB 100) (as referred by the Legislative Research Commission) over the course of several meetings and reviewed proposals including: 1) creating an "Adopt-A-Waterway" program; 2) increasing enforcement powers of the Marine Fisheries Officers to the same level as Wildlife Resources Officers; 3) substantially increasing fines for violations; 4) expanding the number of Marine Fisheries Officers by increasing funding; and 5) defining marine debris to include yard waste. Most of the proposals required significant appropriations and the Joint Legislative Commission plans to study these ideas further.

In addition, the LRC referred bills to study the "Effect of the Use of Commercial Nets on Fish and Shellfish Stocks and their Estuarine Habitats" (Sponsor: Rep. Richardson; H.J.R. 1282), as well as the "Shellfish Leasing Program" (Sponsor: Rep. Smith; Part IV of HB 1319; original bill HB 810). These issues will be included in Legislative Proposal I: "AN ACT TO CREATE A SEPARATE CRAB LICENSE IN CHAPTER 113 OF THE GENERAL STATUTES, TO ESTABLISH A TWO YEAR MORATORIUM ON SPECIFIED FISHING LICENSES, AND TO APPROPRIATE FUNDS TO STUDY THE FISHERY DURING THE MORATORIUM". During the moratorium, a 13-member Steering Committee will oversee the study of the fishery resource. Some of the issues to be studied include: 1) Analysis of licensing limitations

May 19, 1994

including the biological, social and economic impact of seasonal, specific areas, or gear restrictions; 2) Comparison of licensing programs; 3) Classification of user groups; and 4) Development of management policies and plans for fishery resources.

The proposal appropriates \$225,000 for the 1994-95 FY to the Board of Governors of The University of North Carolina for the Cooperative Institute for Fisheries Oceanography to study the fishery resource and management structure. The proposal also appropriates \$25,000 for the 1994-95 FY to the General Assembly for the Joint Legislative Commission on Seafood and Aquaculture to cover administrative and other expenses of the Steering Committee.

Action Taken by Joint Legislative Commission

1. Co-sponsored the North Carolina Oyster Summit, held on April 30, 1994, to bring experts from the east coast, Louisiana and France to share experiences and develop recommendations to improve the oyster industry in this State.
2. Formally requested that the Governor direct the Coastal Futures Commission to meet with all other Commission with overlapping rulemaking authority over water issues (including Marine Fisheries Commission, Coastal Resources Commission, Environmental Management Commission, and Commission for Health Services) to develop a uniform plan to manage and protect our coastal waters. The Governor responded by scheduling an early summer meeting for all Commissions to meet with the Coastal Futures Commission.
3. Adopted a resolution to request that Congressman Lancaster introduce legislation to modify the Magnuson Fishery Conservation and Management Act of 1976 in support of joint membership in the Mid-Atlantic Fishery Management Council, as well as the South Atlantic Fishery Management Council to fully represent all fishing industries in this State. (Legislation is pending before the House Agriculture Committee).
4. Formally requested that the North Carolina Employment Security Commission investigate complaints that blue crab processor applications for H2B temporary workers were being delayed. (The Employment Security Commission met with the industry and agreed to meet again prior to the next application deadline to clarify any requests for information).

Other Legislative Proposals

Legislative Proposal II: AN ACT TO EXTEND THE DEADLINE ON SUBMERGED LANDS. This proposal extends the deadline for decisions made by the Secretary of the Department of Environment, Health, and Natural Resources for three years.

Legislative Proposal III: AN ACT TO CREATE A BLUE RIBBON ADVISORY COUNCIL TO STUDY AND MAKE RECOMMENDATIONS CONCERNING POLICIES AND MANAGEMENT OF THE STATE'S OYSTER RESOURCES. This proposal recommends an appropriation in the amount of \$100,000 to

MEMORANDUM

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May 19, 1994

the Department of Environment, Health, and Natural Resources for administrative and other expenses incurred by the Blue Ribbon Advisory Council on Oysters.

Legislative Proposal IV: AN ACT TO APPROPRIATE FUNDS TO THE SECRETARY OF THE DEPARTMENT OF ENVIRONMENT, HEALTH, AND NATURAL RESOURCES FOR THE FISHERIES DATA INFORMATION SYSTEM ESTABLISHED BY THE ENDORSEMENT TO SELL FISH. This proposal recommends an appropriation in the amount of \$200,000 for the 1994-95 FY for personnel and administrative expenses relating to the endorsement to sell fish program.

Combined Summary of House Bill 1540 (Ch. 576),
Senate Bill 1436 (Ch. 657) and House Bill 589 (Ch. 770).

Crab License/Fisheries Moratorium

Sections 1 and 2 of House Bill 1540 separate the "Crab" license from the existing "Shellfish and Crab" license in Chapter 113 of the General Statutes to remove the unconstitutional residency requirement for crab licenses pursuant to a Consent Order issued in Wake County Superior Court. Subsection (c) of Section 1 establishes an annual fee for individual Crab License of \$7.50 for residents and \$100 for nonresidents. Vessel crab licenses, issued in the name of the owner, may be purchased for an annual fee of \$22.50. The vessel crab license covers the owner of the vessel and up to two unlicensed persons serving as crew to fish for crabs from that vessel. Senate Bill 1436 added a new subsection (c1) to exempt persons under 16 from the crab license requirements. Section 2 of HB 1540 preserves the residency requirement for shellfish licenses and reduces the annual fee from \$15.00 to \$7.50.

Section 3 establishes a two-year moratorium (July 1, 1994-June 30, 1996) on new vessel, crab, and shellfish licenses and non-vessel endorsements to sell fish. During the moratorium, any resident who possessed a shellfish and crab license and any nonresident who possesses a crab license on June 30, 1994, may apply for a crab license. In addition, any person who possessed a vessel license, shellfish license, or endorsement to sell fish issued on or after July 1, 1993 may renew that license or endorsement. Senate Bill 1436 added a new subsection (c1) to provide exemptions to the moratorium under the following circumstances:

- 1) Vessel licenses may be transferred from a currently valid vessel license to another vessel purchased by the owner, or to a new owner of the currently licensed vessel.
- 2) Persons previously exempt from the license requirements when accompanied by their parent or guardian may be issued a Shellfish or Crab license.
- 3) Non-vessel endorsements to sell may be issued to license agents for tournaments.
- 4) Vessel licenses may be issued to charter vessels; provided that no endorsement to sell be issued.

HB 1540 establishes an Appeals Panel to review hardship or emergency cases. The Appeals Panel may grant a license if it finds that the denial would create an emergency or hardship. In no event shall the Appeals Panel grant a license when the total number of licenses exceeds the number of licenses in effect on June 30, 1994. House Bill 589 authorized the Director of Marine Fisheries and the Chairman of the Marine Fisheries Commission to select designees to serve on the Appeals Panel and allowed the Director of Marine Fisheries to grant an emergency temporary license not to exceed 30 days for vessel crab licenses authorized under G.S. 113-153.1(d).

During the moratorium, the Marine Fisheries Commission is limited in exercising its existing authority to measures that: (i) prevent further endangerment of the

resources; (ii) that involve user conflict; or (iii) are necessary to maintain State control of its own fishery resources.

Senate Bill 1505 appropriated \$225,000 for the 1994-95 FY to the UNC Board of Governors for the Sea Grant College Program, assisted by a Steering Committee, to study the fisheries industry, and \$25,000 to the Seafood and Aquaculture Study Commission for expenses of the Steering Committee. Sea Grant reports quarterly to the Joint Legislative Commission on Seafood and Aquaculture and the Marine Fisheries Commission. The Joint Legislative Commission on Seafood and Aquaculture reports its findings and recommendations to the 1996 General Assembly.

Chapter 576 (which created the moratorium) became effective July 1, 1994. Chapters 675 and 770 (which made technical changes) became effective on ratification, July 5, 1994 and July 16, 1994, respectively.

MORATORIUM STEERING COMMITTEE
GOALS AND OBJECTIVES
DURING THE MARINE FISHERIES LICENSE MORATORIUM
16 November 1994, DRAFT

- I. POST-MORATORIUM FISHERIES MANAGEMENT GOALS.
 - A. Achieve a healthy and stable marine fisheries resource through reduction of both harvest pressure and environmental degradation of fisheries habitats.
 - B. Regulate and manage fisheries resources in an efficient and effective manner.
 - C. Equitably manage use of a public resource owned by all North Carolina citizens.
 - D. Dedicate sources of revenue to sustain and enhance the State's marine and estuarine resources.
- I. MORATORIUM STUDY OBJECTIVES FOR ACHIEVING GOALS (Examples of potential studies that would address each objective are listed parenthetically).
 - A. GOAL: Achieve a healthy and stable marine fisheries resource through reduction of both harvest pressure and environmental degradation of fisheries habitats.
 1. OBJECTIVE: Delineate and protect critical fisheries habitats.
(Define [where necessary] and map submerged aquatic vegetation, oyster rocks, anadromous fish spawning areas, and other critical fisheries habitats; prioritize critical fisheries habitats in terms of biological and economic importance, abundance, protection status, or other criteria; develop appropriate gear restrictions for all critical fisheries habitats; etc.)
 2. OBJECTIVE: Appropriately reduce and limit the amount of commercial fishing gear in use in North Carolina waters.
(Study the viability and effect of placing specific limits on amounts of gear that may be used both commercially and recreationally in specific areas/fisheries; define, for licensing purposes, the term "commercial fisherman" [via some commercial use eligibility requirement such as resource use frequency, or an income dependency requirement], and assess the effect of restricting the sale of fisheries resources to commercial fishermen only; assess other methods of limiting entry into state commercial fisheries; study the viability of designating "fisheries reserve" [no gear] areas within state waters; etc.)
 3. OBJECTIVE: Minimize adverse, fishing activity/gear-related impacts to North Carolina's marine and estuarine resources and environment.
(Identify and quantify, by area, adverse impacts to the State's marine and estuarine resources and environment from all lawful fisheries gear and/or activities; study the viability of designating "fisheries reserve" areas within state waters; assess the biological, economic and legal feasibilities of increasing the proportion of marketable seafood produced via aquaculture; etc.)

4. **OBJECTIVE:** Minimize adverse, non-fishing related impacts to North Carolina's marine and estuarine resources and environment.
(Identify and quantify adverse impacts to the State's marine and estuarine resources and environment from non-fishing related activities; assess the feasibility of wetland "pre-/post-treatment" sewage systems for all entities discharging to streams; etc.)
 5. **OBJECTIVE:** Eliminate or minimize non-directed fisheries mortality.
(Determine what level of by-catch mortality is acceptable for each commercial gear/fishery; assess current, and potential, use of gear technologies to minimize by-catch; develop appropriate gear restrictions for all critical fisheries habitats; etc.)
 6. **OBJECTIVE:** Restore marine fisheries that are either overfished or otherwise in a state of decline.
(Determine the criteria that indicate a healthy [restored] stock, and target fisheries management plans [FMPs] to achieve that goal; assess the factors responsible for the decline of each affected marine fishery and recommend specific management measures to restore the stocks; etc.)
- B. **GOAL:** Regulate and manage fisheries resources in an efficient and effective manner.
1. **OBJECTIVE:** Ensure that the North Carolina Division of Marine Fisheries is functionally organized to adequately conserve, protect and manage state marine and estuarine resources.
(Assess current Division organization for institutional and policy impediments to efficient and effective resource management as set out in the Moratorium Steering Committee's Goals and Objectives; study the organizational structures of fisheries agencies in other states; etc.)
 2. **OBJECTIVE:** Improve North Carolina's fisheries management data base pertaining to commercial and recreational harvests.
(Assess the adequacy of current fisheries harvest data; define "critical harvest data" and assess the feasibility of making reporting a condition of licensing, in lieu of "endorsement to sell" requirement; study methods used by other states to obtain fisheries harvest data; etc.)
 3. **OBJECTIVE:** Integrate systems (rather than single species) management principles into FMPs to the highest practicable degree.
(Study the specific fisheries needs and problems in each state estuarine system and compare results; assess potential for interface between state fisheries management and DEM's "basinwide" approach to managing water quality in North Carolina; etc.)
 4. **OBJECTIVE:** Achieve an appropriate balance of statutory, rule and proclamation regulation of marine fisheries.
(Assess and critique historical and potential roles of proclamation, rule and statutory authorities in managing fisheries in North Carolina; study institutional and legal mechanisms for managing marine fisheries in other states; etc.)
 5. **OBJECTIVE:** Minimize redundancy and overlap in state and federal regulation of fisheries resources.

(Assess the interface between state and federal species-specific FMPs; study the potential for cooperative management agreements between North Carolina fisheries agencies and the Atlantic States Marine Fisheries Commission and/or the South Atlantic Fisheries Management Council; etc.)

6. **OBJECTIVE:** Ensure adequate state enforcement of all fisheries laws.
(Establish enforcement priorities based on the overall ability of a practice to safeguard public health and protect public fisheries resources; study the desirability of changing state law to allow Division of Marine Fisheries Inspectors to enforce federal fisheries laws; assess officer training needs for more effective fisheries law enforcement; determine the reasonable manpower needs for enforcement of fisheries laws in North Carolina; etc.)
7. **OBJECTIVE:** Simplify the marine fisheries licensing process.
(Study the viability of replacing the current "mixed" vessel and individual commercial licensing scheme with a comprehensive licensing system based on a consolidated, individual license; determine the feasibility of defining and differentially licensing fisheries resource user groups [e.g., "full-time commercial" fishers, "part-time commercial" fishers, "recreational" fishers using commercial gear, and "hook-and-line recreational" fishers]; define "critical harvest data" and assess the feasibility of making reporting a condition of licensing, in lieu of the "endorsement to sell" requirement; etc.)

C. **GOAL:** Equitably manage use of a public resource owned by all North Carolina citizens.

1. **OBJECTIVE:** Ensure that the cost of using state marine and estuarine resources is commensurate with adverse impacts to the resource resulting from the specific user activity.
(Assess the viability of a licensing system where license cost is based on adverse impact of gear used upon fisheries and fisheries habitat; assess the current criminal penalty structure and the potential use of civil penalties for fisheries law violations, including replacement costs; determine the feasibility of defining and differentially licensing fisheries resource user groups [e.g., "full-time commercial" fishers, "part-time commercial" fishers, "recreational" fishers using commercial gear, and "hook-and-line recreational" fishers]; etc.)
2. **OBJECTIVE:** Ensure adequate protection of marine and estuarine public trust lands and waters.
(Assess the areal extent of private structures [including "fixed gears" such as pound nets, and private docks and piers] in North Carolina waters and their adverse impacts on fisheries resources; examine the State's current submerged lands and public waters leasing program and recommend improvements; identify the appropriate interface between the Division of Marine Fisheries and the Marine Fisheries Commission, and other state agencies responsible for regulating and protecting public lands and waters; etc.)
3. **OBJECTIVE:** Manage marine and estuarine resources for all citizens, rather than only for those seeking to harvest fisheries resources.

(Study the potential for a fisheries licensing system that requires licenses for all persons harvesting marine and estuarine resources, including non-fisheries resources; assess the viability of designating "fisheries reserve" areas within state waters; assess the feasibility of, and appropriate mechanisms for, "pre-conflict" zoning of coastal areas for exclusive use by specific user groups, not limited to fishermen; determine the importance of marine and estuarine resources to non-fishing related ecotourism; etc.)

4. **OBJECTIVE:** Ensure that fisheries management strategies do not unreasonably burden traditional North Carolina fishermen.
(Assess the historical, current and anticipated numbers of participants -- both commercial and recreational -- in each state fishery; determine the amount of gear in use statewide for each gear type, the area of use, and the "status" of the user; assess potential means for state involvement in educating/re-training part-time commercial fishers for other means of livelihood; develop a cost-share program for Best Fishing Practices [BFPs] as suggested by the APES Comprehensive Conservation and Management Plan; etc.)

D. **GOAL:** Dedicate sources of revenue to sustain and enhance the State's marine and estuarine resources.

1. **OBJECTIVE:** Determine the appropriate level of funding required to sustain marine and estuarine resources.
(Identify and prioritize critical resource funding needs in North Carolina fisheries; determine the level of funding expended by other states in restoring and enhancing their marine fisheries resources; etc.)
2. **OBJECTIVE:** Identify and secure potential sources of dedicated fisheries restoration and enhancement funds.
(Assess fee generation based on requiring specific gear and/or species "licenses" in order to commercially participate in state fisheries; assess fee generation methods used by other states; study the viability of fish stamp/print sales as a significant revenue generator; determine the potential legal and institutional mechanisms for dedicating state funds; etc.)
3. **OBJECTIVE:** Implement an effective, ongoing state program of fisheries habitat protection, restoration and enhancement.
(Assess and prioritize critical fisheries habitat needs; determine and recommend potential changes in actions/policies of non-fisheries state agencies that would protect and enhance marine and estuarine resources, and mechanisms to achieve that end; determine the factors responsible for the decline of each affected marine fishery and recommend specific management measures to restore the stocks; etc.)

**RESOLUTION OF THE
NORTH CAROLINA MARINE FISHERIES COMMISSION
TO THE
NORTH CAROLINA GENERAL ASSEMBLY
DECEMBER 1994**

In order to promote the conservation and enhancement of recreational fisheries in North Carolina, and in accordance with the principle that all of those who participate in the harvest of fishery resources in North Carolina should participate in the conservation and enhancement of those resources, the North Carolina Marine Fisheries Commission recommends the following:

- 1) That the North Carolina General Assembly create a recreational fishing license covering the recreational harvest of fishery resources in the coastal waters of North Carolina;
- 2) That the revenues from such license be dedicated solely to the conservation and enhancement of recreational fisheries, placed in a special Trust Fund for that purpose, and disbursed under the oversight of a Board of Trustees composed of individuals with interest and expertise in recreational fisheries in North Carolina;
- 3) That the legislation creating such a license stipulate that if any of the revenues from the license are diverted to purposes other than the conservation and enhancement of recreational fisheries, the license would be terminated;
- 4) That the license be administered by the Division of Marine Fisheries, in conjunction with the Board of Trustees;
- 5) That such license be required of everyone 16 years of age and older, with fees and special licenses available as noted in the attached Proposal for a North Carolina Coastal Recreational Fishing License.
- 6) The Coastal Recreational Fishing License should be considered in light of the current North Carolina Fisheries Moratorium Study, and developed in a manner compatible with that study.

GENERAL ASSEMBLY OF NORTH CAROLINA
1993 SESSION
RATIFIED BILLS

CHAPTERS 576, 675, and 770

Unofficial Combination of Ratified Fisheries Moratorium Bills
House Bill 1540, Senate Bill 1436, and House Bill 589

AN ACT TO CREATE A SEPARATE CRAB LICENSE IN CHAPTER 113 OF THE GENERAL STATUTES AND TO ESTABLISH A TWO-YEAR MORATORIUM ON SPECIFIED FISHING LICENSES AND TO MAKE TECHNICAL AND CLARIFYING CHANGES TO CHAPTER 576 OF THE 1993 SESSION LAWS (REGULAR SESSION 1994) CONCERNING THE TWO-YEAR MORATORIUM ON SPECIFIED FISHING LICENSES AND TO AMEND CHAPTER 576 OF THE 1993 SESSION LAWS CONCERNING THE APPEALS PANEL DURING THE FISHERIES MORATORIUM.

Whereas, it is the long-established policy of this State to preserve and protect its marine and estuarine resources for the use and benefit of all North Carolina citizens; and

Whereas, North Carolina's coastal fisheries resources have become stressed by factors which include: (i) overfishing; (ii) environmental impacts, such as water pollution; (iii) loss of wetlands and other fisheries habitat; and (iv) disease; and

Whereas, fishing has been a source of livelihood for many of the State's coastal citizens during the past four centuries, and that North Carolina has a significant interest in preserving and protecting that historical and cultural heritage; and

Whereas, North Carolina's traditional commercial fishermen have been adversely impacted by a number of factors, which include: (i) the decline of fishery populations; (ii) the use of more gear due to that decline; (iii) increasing conflicts between resource users in different fisheries; and (iv) the economic impact of increased State and federal fisheries regulation; and

Whereas, it is in the best interest of the citizens of this State that North Carolina develop, protect, and manage its own fishery resources in lieu of federal regulation of those resources; and

Whereas, the historical method by which the State has established fisheries regulations has resulted in a largely piecemeal approach to proper fisheries management; and

Whereas, these factors make it necessary to establish a two-year moratorium on vessel licenses, endorsements to sell fish, shellfish licenses, and crab licenses in order to conduct a comprehensive study of the fishery industry including: reviewing available measures to control fishing effort, gathering vital

fisheries information, conducting necessary scientific research, studying fisheries management measures taken by other states or resource management organizations (including national and international), and obtaining public comments; Now, therefore,

The General Assembly of North Carolina enacts:

Section 1. Article 14 of Chapter 113 of the General Statutes is amended by adding a new section to read:

"§ 113-153.1. Crab license.

(a) Except as provided in subsection (d) of this section, it is unlawful for an individual to take crabs from the coastal fishing waters of North Carolina for commercial use by any means without having first procured an individual crab license.

(b) It is unlawful for any individual to take crabs for commercial use from the coastal fishing waters of North Carolina without having ready at hand for inspection a current and valid crab license issued to him personally and bearing his correct name and address. It is unlawful for any such individual taking or possessing freshly taken crabs to refuse to exhibit his license upon the request of an officer authorized to enforce the fishing laws.

(c) Individual crab licenses shall be issued annually on a fiscal year basis upon payment of a fee of seven dollars and fifty cents (\$7.50) for residents and one hundred dollars (\$100.00) for nonresidents. Vessel crab licenses shall be issued annually on a fiscal year basis upon payment of a fee of twenty-two dollars and fifty cents (\$22.50) and shall be issued in the name of the owner.

(c1) Persons under 16 years of age are exempt from the license requirements of this section if they are accompanied by their parent or guardian who is in compliance with the requirements of this section or if they have in their possession their parent's or guardian's crab license.

(d) The owner of a vessel licensed under G.S. 113-152 shall be eligible to purchase a vessel crab license for crabs [as an alternative to the purchase of individual licenses] under this section. A vessel crab license authorizes the owner of the vessel and up to two unlicensed persons serving as crew to fish for crabs from that vessel. It is unlawful for the owner of a vessel to take crabs from the coastal fishing waters of North Carolina for commercial use by any means, when unlicensed persons not authorized by the vessel crab license are on the vessel. The vessel crab license issued under this subsection shall be revoked when the owner or any other person using the owner's vessel is convicted of a violation under this section, except for subsection (b).

(e) In the event an individual possessing a crab license changes his name or address or receives one erroneous in this respect, he must within 30 days surrender the license for one bearing the correct name and address. Upon a showing by the individual that the name or address change occurred within the

Added
by
SB 436
(Ch. 670)

SB 1436

past 30 days, the trial court or prosecutor shall dismiss any charges brought pursuant to this subsection.

(f) It is unlawful for an individual issued a crab license to transfer or offer to transfer his license, either temporarily or permanently, to another. It is unlawful for an individual to secure or attempt to secure a crab license from a source not authorized by the Marine Fisheries Commission."

Sec. 2. G.S. 113-154 reads as rewritten:

"§ 113-154. ~~Shellfish and crab licenses.~~ license.

(a) It is unlawful for an individual to take shellfish ~~or crabs~~ from the public or private grounds of North Carolina by mechanical means or for commercial use by any means without having first procured an individual shellfish ~~and crab~~ license.

(b) It is unlawful for any individual to take shellfish ~~or crabs~~ for commercial use from the public or private grounds of North Carolina without having ready at hand for inspection a current and valid shellfish ~~and crab~~ license issued to him personally and bearing his correct name and address. It is unlawful for any such individual taking or possessing freshly taken shellfish ~~or crabs~~ to refuse to exhibit his license upon the request of an officer authorized to enforce the fishing laws.

(c) Shellfish ~~and crab~~ licenses are issued annually on a fiscal year basis upon payment of a fee of ~~fifteen dollars (\$15.00)~~ seven dollars and fifty cents (\$7.50) upon proof that the license applicant is a resident of North Carolina: Provided, that persons under 16 years of age are exempt from the license requirements of this section if they are accompanied by their parent or guardian who is in compliance with the requirements of this section or if they have in their possession their parent's or guardian's shellfish ~~and crab~~ license. ~~Notwithstanding G.S. 113-130, for purposes of this subsection, a North Carolina resident means a person that has resided in North Carolina for six months immediately preceding the application for the shellfish and crab license.~~

(d) In the event an individual possessing a shellfish ~~and crab~~ license changes his name or address or receives one erroneous in this respect, he must within 30 days surrender the license for one bearing the correct name and address. ~~An individual prosecuted for failure to possess a valid license is exonerated if he can show that the invalidity consisted solely of an incorrect name or address appearing in a license to which he was lawfully entitled and that the erroneous condition had not existed for longer than 30 days. Upon a showing by the individual that the name or address change occurred within the past 30 days, the trial court or prosecutor shall dismiss any charges brought pursuant to this subsection.~~

(e) It is unlawful for an individual issued a shellfish ~~and crab~~ license to transfer or offer to transfer his license, either temporarily or permanently, to another. It is unlawful for an individual to secure or attempt to secure a shellfish ~~and crab~~ license from a source not authorized by the Marine Fisheries Commission."

SB 1436

Sec. 3. (a) Except as provided in subsections ~~(b) or (c)~~ (b), (c), or (c1) of this section, the Department shall not issue any new licenses for a two-year period beginning July 1, 1994, and ending June 30, 1996, under the following statutes:

- (1) G.S. 113-152. Vessel licenses.
- (2) G.S. 113-153.1. Crab license.
- (3) G.S. 113-154. Shellfish license.
- (4) G.S. 113-154.1. Nonvessel endorsements to sell fish.

(b) Any resident who possesses a shellfish and crab license or nonresident who possesses a crab license on June 30, 1994, may apply for a crab license issued in accordance with G.S. 113-153.1.

(c) The Department may renew any license issued on or after July 1, 1993, under the following statutes:

- (1) G.S. 113-152. Vessel licenses.
- (2) G.S. 113-154. Oyster, scallop, and clam license (amended, effective January 1, 1994).
- (3) G.S. 113-154. Shellfish and crab license.
- (4) G.S. 113-154.1. Endorsement to sell fish.

(c1)
added
by
SB 1436

(c1) The following exemptions shall apply to the moratorium:

- (1) The owner of a currently valid vessel license may transfer that license upon application to the Division of Marine Fisheries, Morehead City office, to:

- a. Another vessel purchased by the owner of the original vessel license; or
- b. The purchaser of the vessel who is otherwise qualified to hold the license under this Article.

- (2) Any person previously exempt from the license requirements when accompanied by their parent or guardian holding the license and who is otherwise qualified, may be issued a Shellfish or Crab license upon application to the Division of Marine Fisheries, Morehead City office.

- (3) Non-vessel endorsement to sell licenses may be issued to the duly designated license agents for tournaments that meet the requirements of the rules of the Marine Fisheries Commission.

- (4) Vessel licenses may be issued on a charter vessel not previously licensed; provided that no vessel endorsement to sell be issued on that vessel.

(d) During the moratorium, there shall be an Appeals Panel to consider license applications for new licenses.

- (1) The Appeals Panel shall consist of the ~~Fisheries Director~~, Director of the Division of Marine Fisheries of the Department of Environment, Health, and Natural Resources or the Director's designee, the Chairman of the Marine Fisheries Commission, Commission or the Chairman's designee, and one other person selected by the Cochairs of the Joint

Added
by HB 589
(Ch. 770)

Legislative Commission on Seafood and Aquaculture to review hardship or emergency license cases.

- (2) The Marine Fisheries Commission shall adopt temporary rules to govern the operation of the Appeals Panel. The Appeals Panel is exempt from the provisions of Article 3 of Chapter 150B of the General Statutes. Decisions of the Appeals Panel shall be subject to judicial review under the provisions of Article 4 of Chapter 150B of the General Statutes.

- (3) The Appeals Panel may grant a license if it finds that the denial of the license application would create an emergency or hardship on the individual or the State. In no event shall the Appeals Panel grant a license when the total number of licenses in the specific category would exceed the number of licenses in effect on June 30, 1994.

- Added by
HB 589 (4) The Appeals Panel Director of the Division of Marine Fisheries of the Department of Environment, Health, and Natural Resources may grant an emergency temporary license due to death, illness, or incapacity, for a period not to exceed 30 days. Emergency temporary licenses shall be limited to vessel crab licenses authorized under G.S. 113-153.1(d).

(e) During the moratorium, the North Carolina Sea Grant College Program shall conduct an extensive study of the fishery industry including: gathering available information, conducting necessary scientific research, studying other states or resource management organizations (including national and international organizations), and obtaining public comments on recommendations. The North Carolina Sea Grant College Program shall study all issues relating to the fishery resource including, but not limited to:

- (1) Analysis of licensing limitations including the biological, social, and economic impact of seasonal, specific areas, or gear restrictions.
- (2) Comparison of licensing programs.
- (3) Classification and enumeration of user groups.
- (4) Development of management policies and plans for crabs, shellfish, and all other fishery resources.
- (5) Evaluation and development of an effective enforcement mechanism for the licensing program recommended by this study.
- (6) Any other issue relating to the fishery industry.

The North Carolina Sea Grant College Program shall work with the Steering Committee and shall report quarterly to the Joint Legislative Commission on Seafood and Aquaculture and the Marine Fisheries Commission beginning October 1, 1994.

(f) The Speaker of the House of Representatives and the President Pro Tempore of the Senate shall appoint individuals to a 19-member Steering Committee to oversee the study of the fishery resource comprised as follows:

- (1) Chair, Marine Fisheries Commission.
- (2) Director of the Marine Fisheries Division of the Department of Environment, Health, and Natural Resources (or designee).
- (3) Director of the North Carolina Sea Grant College Program (or designee).
- (4) The Cochairs of the Joint Legislative Commission on Seafood and Aquaculture (or designees).
- (5) Two representatives from the commercial fishing industry, one appointed by the President Pro Tempore of the Senate and the other appointed by the Speaker of the House of Representatives.
- (6) One representative from the North Carolina Fisheries Association Auxiliary, appointed by the Speaker of the House of Representatives.
- (7) Three representatives from the recreational fishing industry, one appointed by the Speaker of the House of Representatives and two persons appointed by the President Pro Tempore of the Senate.
- (8) One seafood processor, appointed by the President Pro Tempore of the Senate.
- (9) Two academic fisheries scientists, one appointed by the Speaker of the House of Representatives and the other appointed by the President Pro Tempore of the Senate.
- (10) One ecologist, appointed by the Speaker of the House of Representatives.
- (11) One social scientist, appointed by the President Pro Tempore of the Senate.
- (12) One economist, appointed by the Speaker of the House of Representatives.
- (13) One environmentalist, appointed by the President Pro Tempore of the Senate.
- (14) One representative from aquaculture, appointed by the Speaker of the House of Representatives.

The Chair of the Steering Committee shall be the Chair of the Marine Fisheries Commission.

Sec. 4. During the moratorium, the Marine Fisheries Commission shall be limited in the exercise of its existing authority to regulate and control the commercial and recreational harvest of marine fisheries resources to measures: (i) that prevent further endangerment of the resources; (ii) that involve user conflicts; or (iii) that are necessary to maintain State control of its own fishery resources in order to avoid the exercise of federal fishery management authority over those resources.

Sec. 5. The Joint Legislative Commission on Seafood and Aquaculture may report to the 1995 General Assembly, and shall report on the first day the 1996 Regular Session commences on its findings, together with any recommended legislation.

Sec. 6. Nothing herein contained shall be construed to obligate the General Assembly to appropriate funds to implement the provisions of this act. If funds are not appropriated for

Added by Sec. 17.7 of the Budget bill (S1505)

the 1994-95 fiscal year to implement the provisions of Sections 3, 4, or 5 of this act, Sections 3, 4, or 5 shall not become effective. The suspension of the sale of licenses subject to the moratorium in Section 3 of Chapter 576 of this act by the Division of Marine Fisheries beginning on July 1, 1994, is retroactively authorized. License applications which were received but not processed during the suspension shall be determined in accordance with the provisions of Section 3 of this act if the funds are appropriated for the 1994-95 fiscal year to implement Section 3 of this act. If no funds are appropriated for the 1994-95 fiscal year to implement Section 3 of this act, then Section 3 of this act shall not become effective and license applications received but not processed during the suspension shall be determined in accordance with the provisions of Article 14 of Chapter 113 of the General Statutes.

Sec. 7. Chapter 576 (which created the moratorium) became effective July 1, 1994. Chapters 675 and 770 (which made technical changes to the moratorium) became effective on ratification, July 5, 1994 and July 16, 1994, respectively.

Appropriations Relating to the Fisheries Moratorium

Section 9.1 (page 43) of S1505 (Chapter 769 - Budget Bill) appropriates \$25,000 to the Joint Legislative Commission on Seafood and Aquaculture for the 1994-95 fiscal year to support the activities of the steering committee under the moratorium and to support the official activities of the Appeals Panel. Members of the Appeals Panel who are not State employees shall receive, in addition to the allowances provided under G.S. 138-5, compensation at the rate of \$150.00 per diem in lieu of the per diem compensation provided in G.S. 138-5(a)(1).

Section 17.7 (page 70) of S 1505 appropriates \$225,000 to the UNC Board of Governors for the 1994-95 fiscal year for the North Carolina Sea Grant College Program to study the fisheries resource and management structure. The funds may be used for personnel, administrative and consulting costs. (NOTE: this section of the budget bill also added retroactive authority to Section 6 of the moratorium bill).

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

S/H

D

95-RD\$-001(12.1)

(THIS IS A DRAFT AND NOT READY FOR INTRODUCTION)

Short Title: Fund Shellfish Lease Program.

(Public)

Sponsors: .

Referred to:

1 A BILL TO BE ENTITLED

2 AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF ENVIRONMENT,
3 HEALTH, AND NATURAL RESOURCES TO FUND THE SHELLFISH LEASE
4 PROGRAM.

5 The General Assembly of North Carolina enacts:

6 Section 1. There is appropriated from the General Fund
7 to the Department of Environment, Health, and Natural Resources,
8 Division of Marine Fisheries, the sum of two hundred sixty-three
9 thousand seven hundred and eighteen dollars (\$263,718) for the
10 1995-96 fiscal year and the sum of one hundred thirty-four
11 thousand eight hundred and thirty-eight dollars (\$134,838) for
12 the 1996-97 fiscal year for four positions for the Shellfish
13 Lease Program, including administrative expenses, equipment, and
14 other program costs.

15 Sec. 2. This act becomes effective July 1, 1995.

Program Description
(Concise Sentences)

SHELLFISH LEASE STAFF. The North Carolina Oyster Summit pointed out the need for a more active shellfish lease program in this state to improve oyster cultivation. Currently shellfish lease work is handled by Resource Enhancement employees that have other significant duties such as Oyster Rehabilitation, Shellfish Mapping and Oyster Disease work. During the peak work season these employees are not able to respond in a timely fashion to shellfish lease responsibilities. Increase interest and new directions for aquaculture will not be adequately supported without additional personnel. This request supports the Fisheries Stock Improvement Initiative.

Total Appropriation\$	263,718 \$	134,838
Total No. of Position	4.0	4.0

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

S/H

D

95-RD\$-002(12.1)

(THIS IS A DRAFT AND NOT READY FOR INTRODUCTION)

Short Title: Fund Shellfish Mapping.

(Public)

Sponsors: .

Referred to:

1 A BILL TO BE ENTITLED

2 AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF ENVIRONMENT,
3 HEALTH, AND NATURAL RESOURCES TO FUND THE SHELLFISH MAPPING
4 PROGRAM.

5 The General Assembly of North Carolina enacts:

6 Section 1. There is appropriated from the General Fund
7 to the Department of Environment, Health, and Natural Resources,
8 Division of Marine Fisheries, the sum of one hundred seventy-
9 seven thousand three hundred and three dollars (\$177,303) for the
10 1995-96 fiscal year and the sum of one hundred nineteen thousand
11 nine hundred and ninety four dollars (\$119,994) for the 1996-97
12 fiscal year for three positions for the Shellfish Mapping Program
13 including, administrative expenses, equipment, and other program
14 costs.

15 Sec. 2. This act becomes effective July 1, 1995.

**DRAFT
FOR REVIEW ONLY**

Legislative Proposal II

TIME-LIMITED SHELLFISH MAPPING EXPANSION. The original shellfish mapping proposal planned for eight positions to spend four years (32 man years) mapping North Carolina's shellfish habitat. Since its inception in 1988, less than 14 man years have been expended at very low funding levels. The information obtained from this survey is essential for management of coastal resources and shellfish aquaculture development. Failure to increase the sampling rate will prolong the survey to such an extent that data collected in 1989 will no longer be able to be reliably compared to data collected at the end of the survey. Completion of the shellfish mapping study supports the Stewardship of Natural Resources goal and the Fisheries Stock Improvement Initiative.

Total Appropriation\$	177,303 \$	119,994
Total No. of Position	3.0	3.0

DRAFT
FOR REVIEW ONLY

Legislative Proposal III

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

S/H

D

95-RD\$-003(12.1)

(THIS IS A DRAFT AND NOT READY FOR INTRODUCTION)

Short Title: Fund Official Activities of MFC.

(Public)

Sponsors: .

Referred to:

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF ENVIRONMENT,
HEALTH, AND NATURAL RESOURCES TO FUND THE OFFICIAL ACTIVITIES
OF THE MARINE FISHERIES COMMISSION.

The General Assembly of North Carolina enacts:

Section 1. There is appropriated from the General Fund
to the Department of Environment, Health, and Natural Resources,
Division of Marine Fisheries, the sum of eighty thousand dollars
(\$80,000) for the 1995-96 fiscal year and the sum of eighty
thousand dollars (\$80,000) for the 1996-97 fiscal year for two
positions and other costs of official business of the Marine
Fisheries Commission.

Sec. 2. There is appropriated from the General Fund to
the Department of Environment, Health, and Natural Resources,
Division of Marine Fisheries, the sum of ten thousand dollars
(\$10,000) for the 1995-96 fiscal year and the sum of ten thousand
dollars (\$10,000) for the 1996-97 fiscal year for temporary
clerical support for official business of the Marine Fisheries
Commission.

Sec. 3. The use of funds appropriated in Section 2 of
this act shall be authorized by the Marine Fisheries Commission
and may be used at sites and for programs deemed necessary by the
Commission.

Sec. 4. This act becomes effective July 1, 1995.

Legislative Proposal III

FUND OFFICIAL ACTIVITIES OF MARINE FISHERIES COMMISSION:

The Marine Fisheries Commission and Advisory Committees (currently 100 advisory committee members to be reduced to 50 by 7/1/95) have requested funds for travel to meetings, operating expenses and staff support. At the present time the Governor's draft budget provides some funding for travel and operating expenses.

Section 1 of Legislative Proposal III would appropriate the sum of \$80,000 for FY 95-96 and \$80,000 for FY 96-97 for two positions to be located in the Morehead City Office of the Division of Marine Fisheries. The clerical position would be responsible for notices, correspondence, attendance at meetings and transcribing minutes, as well as other support for official business of the Marine Fisheries Commission. The professional position would assist the Commission with respect to rulemaking and policies and in official business of the Commission.

Section 2 of Legislative Proposal III would appropriate the sum of \$10,000 for FY 95-96 and \$10,000 for FY 96-97 for temporary clerical support for official business of the Commission to be used by the Chair.

DRAFT
FOR REVIEW ONLY

Legislative Proposal IV.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

S/H

D

95-RD\$-004.1(12.1)

(THIS IS A DRAFT AND NOT READY FOR INTRODUCTION)

Short Title: Fund Marine Fisheries Patrol.

(Public)

Sponsors: .

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF ENVIRONMENT,
3 HEALTH, AND NATURAL RESOURCES TO FUND THE DIVISION OF MARINE
4 FISHERIES TO INCREASE LAW ENFORCEMENT PERSONNEL.
5 The General Assembly of North Carolina enacts:
6 Section 1. There is appropriated from the General Fund
7 to the Department of Environment, Health, and Natural Resources,
8 Division of Marine Fisheries, the sum of one million two hundred
9 eighty-one thousand eight hundred ninety-two dollars (\$1,281,892)
10 for the 1995-96 fiscal year for seven positions for law
11 enforcement including equipment, administrative expenses, and
12 other operating costs.
13 Sec. 2. This act becomes effective July 1, 1995.

NORTH CAROLINA MARINE PATROL



DECEMBER 1, 1994

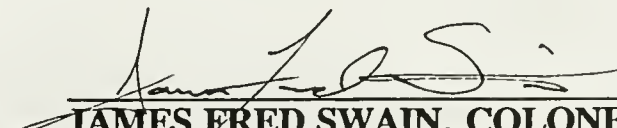
**NORTH CAROLINA MARINE PATROL
MISSION STATEMENT**

THE NORTH CAROLINA MARINE PATROL IS THE ENFORCEMENT ARM OF THE DIVISION OF MARINE FISHERIES. THE DIVISION, AND THE MARINE PATROL, OPERATE UNDER THE AUSPICES OF THE NORTH CAROLINA DEPARTMENT OF ENVIRONMENT, HEALTH AND NATURAL RESOURCES.

TO THIS END;

THE MARINE PATROL IS TASKED WITH THE ENFORCEMENT OF NORTH CAROLINA GENERAL STATUTES, MARINE FISHERIES RULES AND REGULATIONS, AND PROCLAMATIONS, PROTECTING NORTH CAROLINA'S MARINE AND ESTUARINE RESOURCES.

IN FURTHERANCE OF THIS TASK, MARINE PATROL OFFICERS PATROL 2.4 MILLION ACRES OF OCEAN AND COASTAL WATERS COVERING 4,000 MILES OF SHORELINE. THIS ACTION TAKES PLACE PRIMARILY IN 21 EASTERN NORTH CAROLINA COUNTIES ADJOINING THE STATES OF VIRGINIA AND SOUTH CAROLINA.


**JAMES FRED SWAIN, COLONEL
N.C. MARINE PATROL**

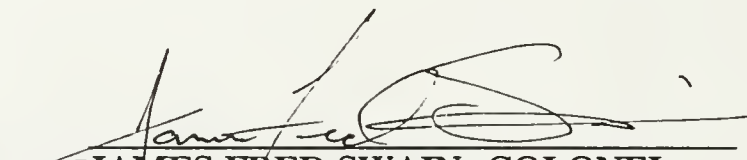
NORTH CAROLINA MARINE PATROL GOALS

PROVIDE A PROFESSIONAL LAW ENFORCEMENT AGENCY CONSISTENT WITH THE GOALS OF THE DEPARTMENT OF ENVIRONMENT, HEALTH AND NATURAL RESOURCES.

INCORPORATE MODERN LAW ENFORCEMENT TECHNIQUES AND PROCEDURES IN PROVIDING SERVICES AND PROTECTION TO NORTH CAROLINA'S MARINE RESOURCES AND ESTUARINE SYSTEMS.

PROVIDE ADEQUATE COVERAGE OF ASSIGNED WORK AREAS AND ADDITIONAL HOURS OF COVERAGE, IN ORDER TO FACILITATE A LEVEL OF PROTECTION, AND ENFORCEMENT, CONSISTENT WITH EVER CHANGING REQUIREMENTS.

PROVIDE ADEQUATE EQUIPMENT, TRAINING, AND SUPPORT TO THE MEN AND WOMEN ASSIGNED TO THE NORTH CAROLINA MARINE PATROL IN ORDER TO ENSURE; FAIR TREATMENT, SAFE WORKING CONDITIONS, CAREER GROWTH, AND A COMMITMENT TO THE PROTECTION OF NORTH CAROLINA'S VALUABLE MARINE RESOURCES.



**JAMES FRED SWAIN, COLONEL
NC MARINE PATROL**

North Carolina Marine Patrol

Functions/Activities and Interactions

DEHNR

Staff

Legislators

Commission

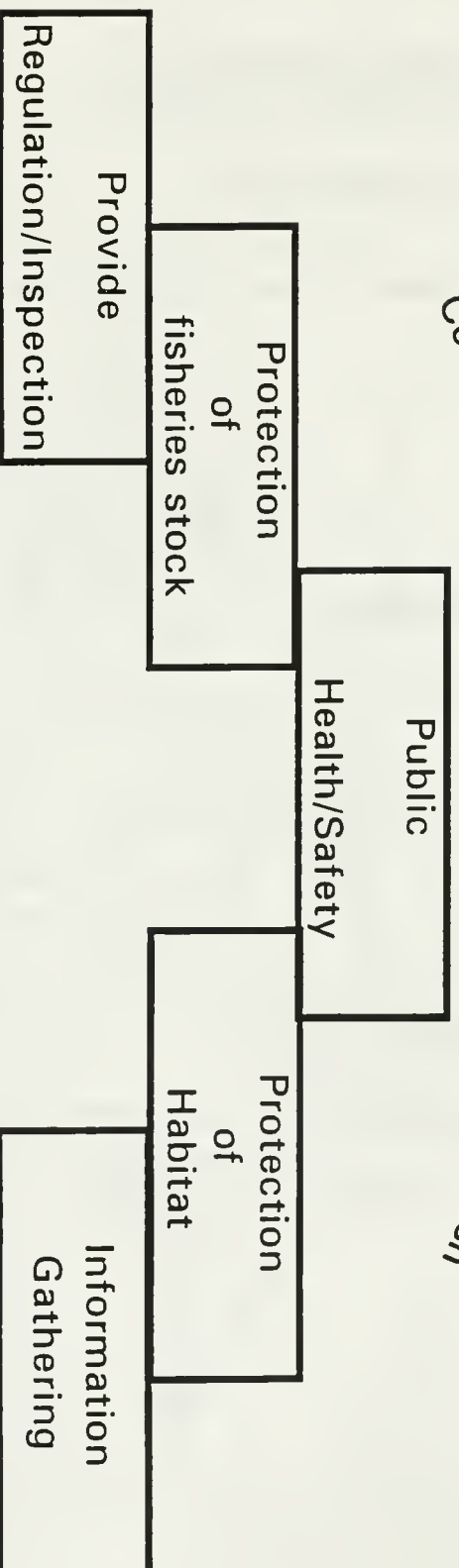
Other Agencies

General Public

Com/fish

Rec/fish

Visitors



Patrol
Vehicle/boat
Citation/warning
Interaction

Data
Gear
Communication

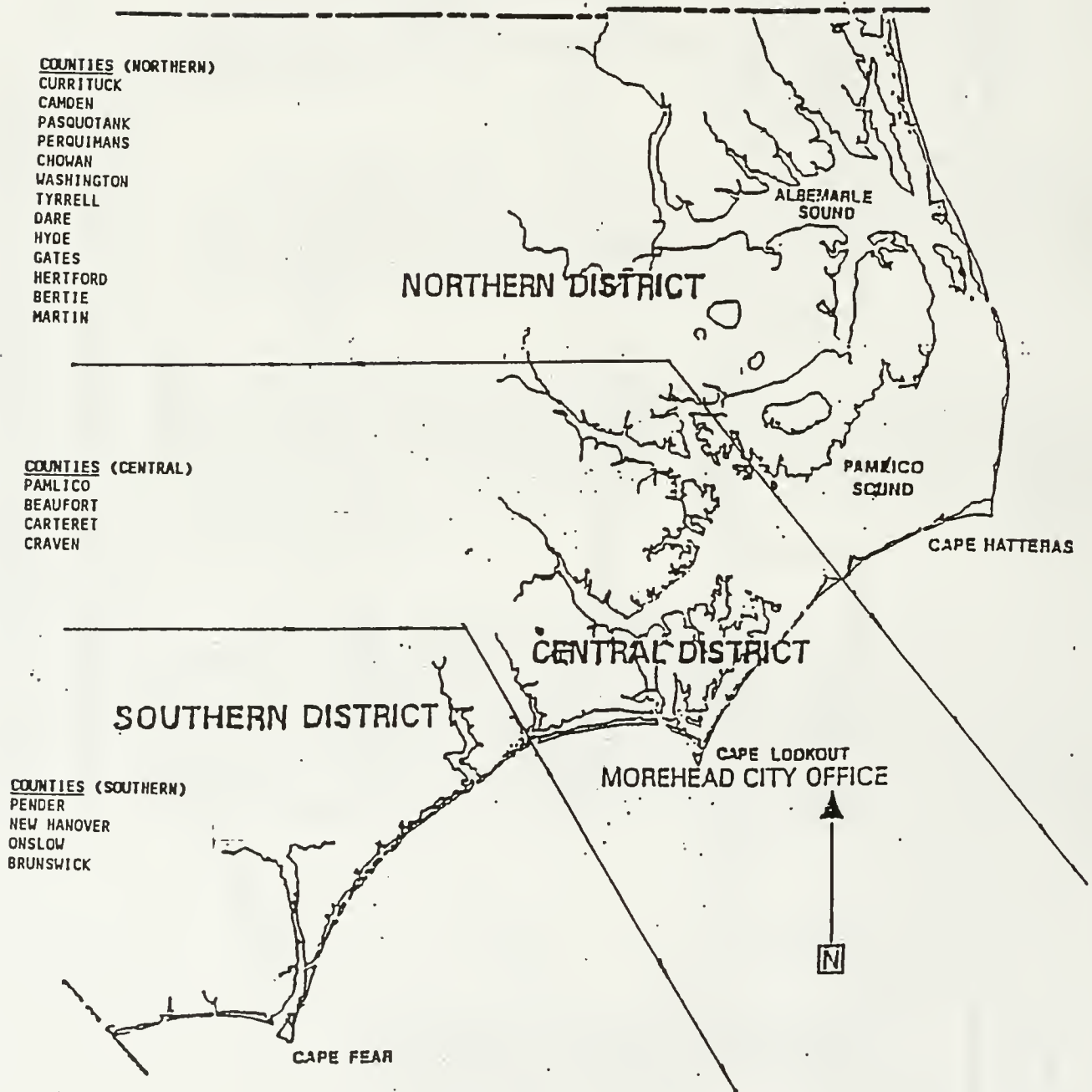
Intelligence
Investigations
Sharing

Proclamations
Posting
Sight Visits

Reports
Surveillance

NORTH CAROLINA MARINE PATROL COASTAL LAW ENFORCEMENT DISTRICTS

EFFECTIVE NOVEMBER 30, 1994

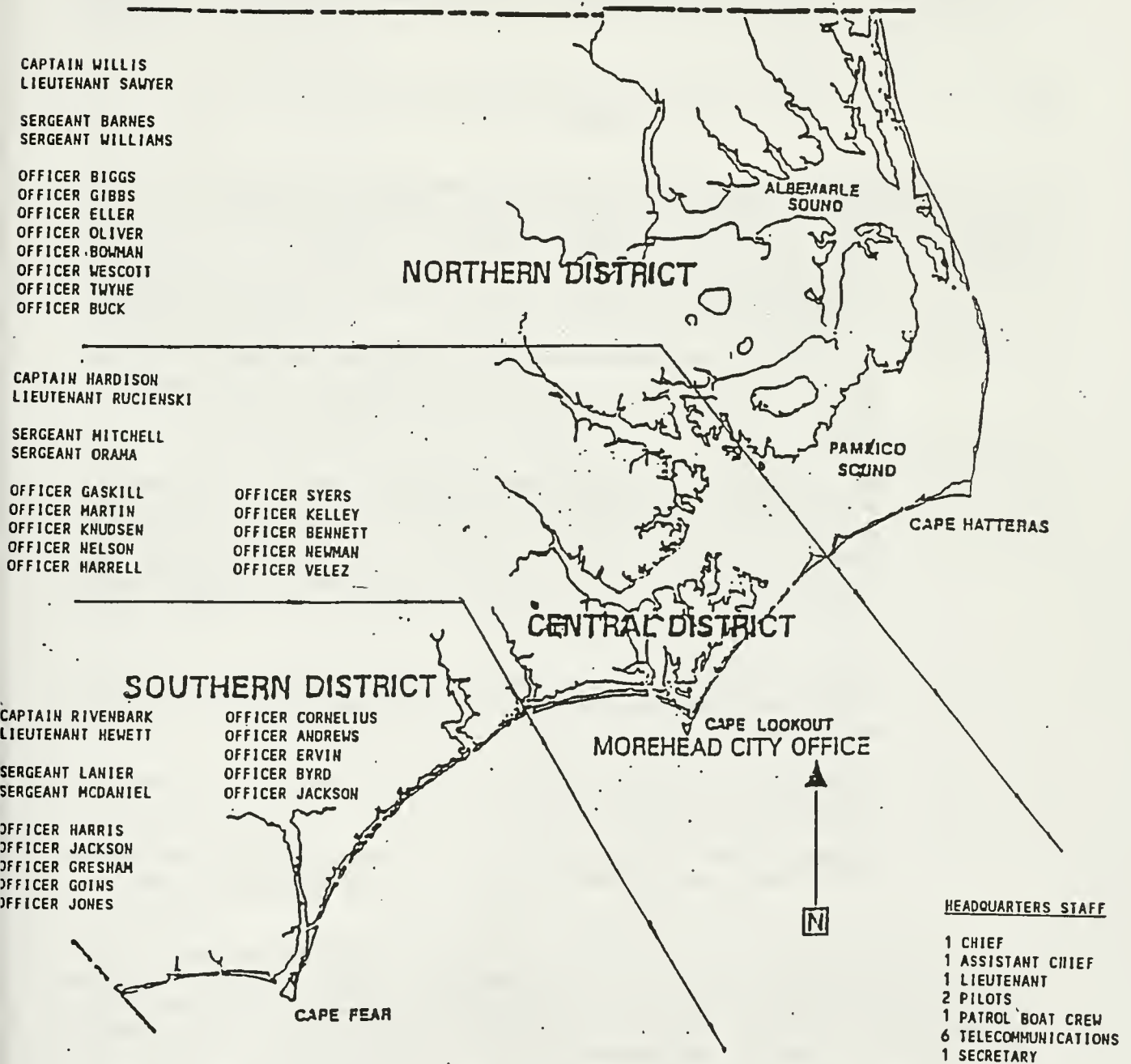


STATISTICS

46 LAW ENFORCEMENT OFFICERS
2.2 MILLION ACRES ESTUARINE WATERS
0.5 MILLION ACRES OCEAN WATERS (OUT TO 3 MILES)
4,000 MILES OF COASTLINE
21 COASTAL COUNTIES ACTIVELY PATROLLED

NORTH CAROLINA MARINE PATROL COASTAL LAW ENFORCEMENT DISTRICTS

EFFECTIVE NOVEMBER 30, 1994



STATISTICS

46 LAW ENFORCEMENT OFFICERS
2.2 MILLION ACRES ESTUARINE WATERS
0.5 MILLION ACRES OCEAN WATERS (OUT TO 3 MILES)
4,000 MILES OF COASTLINE
21 COASTAL COUNTIES ACTIVELY PATROLLED

NORTH CAROLINA MARINE PATROL STRATEGY

DESIGN AND IMPLEMENT A COMPREHENSIVE PROACTIVE LAW ENFORCEMENT PROGRAM. THIS PROGRAM WILL ADDRESS THE PRESENT INADEQUATE AND STRESSED STAFFING LEVEL, IN ADDITION TO ADDRESSING THE REPLACEMENT OF OUTDATED AND INSUFFICIENT EQUIPMENT. THIS GOAL CAN, AND WILL, BE ACHIEVED IN A COST EFFECTIVE MANNER WHILE EMPLOYING AN EQUITABLE STRATEGY AIMED AT PROVIDING CONSISTENT ENFORCEMENT THROUGHOUT THE STATE OF NORTH CAROLINA.

JUSTIFICATION

IN ORDER TO FACILITATE OUR MANDATE OF ENFORCING THOSE LAWS PROMULGATED BY THE LEGISLATURE OF NORTH CAROLINA, AND DIRECTED TO THE DIVISION OF MARINE FISHERIES, THERE IS A NEED FOR SEVERAL ACTIONS TO BE TAKEN:

1. PROVIDE AND SOLICIT SUPPORT FOR BUDGETARY REQUESTS THROUGHOUT THE BUDGETARY PROCESS.
2. AN AWARENESS THAT FIFTY-ONE (51) ENFORCEMENT OFFICERS ARE PRESENTLY HAVING TO COVER 2.4 MILLION ACRES OF COASTAL WATERS TWENTY FOUR HOURS A DAY, SEVEN DAYS A WEEK, THREE HUNDRED AND SIXTY-FIVE DAYS A YEAR.
3. AN ATTITUDE OF ASSISTANCE AND COOPERATION SHOULD BE FOSTERED AND WORKED TOWARD BY MARINE PATROL PERSONNEL AND THEIR CONSTITUENTS.
4. RECOGNITION OF THE FACT THAT THE FISHERY OF NORTH CAROLINA HAS A DIRECT AND DRIVING AFFECT AND IMPACT ON NORTH CAROLINA'S COASTAL ECONOMY, TO THE POINT OF ASSUMING A POSITION WHICH PLACES IT WITHIN THE TOP THREE COASTAL INDUSTRIES.
5. ACKNOWLEDGEMENT THAT THE FISHERY HARVEST OF NORTH CAROLINA ANNUALLY PLACES NORTH CAROLINA ELEVENTH AMONG STATES NATIONWIDE IN COMMERCIAL AND RECREATIONAL FISH LANDINGS.
6. THE GENERAL PUBLIC SHOULD BE EDUCATED AS TO THE PRESENT CONDITION OF NORTH CAROLINA'S MARINE RESOURCE.
7. PROGRAMS WHICH ENCOURAGE AND SOLICIT PARTICIPATION OF THE GENERAL PUBLIC SHOULD BE ENCOURAGED BY THE DIVISION OF MARINE FISHERIES.

WITH DECLINING MARINE RESOURCES, DUE TO OVERFISHING AND WATER POLLUTION, IT IS INCUMBENT UPON THE STATE OF NORTH CAROLINA TO CAST A WATCHFUL EYE IN THE DIRECTION OF THIS VALUABLE RESOURCE. DIVISION RECORDS REFLECT AN AVERAGE OF FIVE THOUSAND SEVEN HUNDRED (5,700) ENFORCEMENT ACTIONS TAKING PLACE BETWEEN ENFORCEMENT OFFICERS AND THE GENERAL PUBLIC ON A YEARLY BASIS. A CLOSER LOOK REVEALS THAT IN 1993 OVER 900 CRIMINAL CITATIONS WERE ISSUED AND OVER 700 WRITTEN

PAGE TWO

WARNINGS. THESE FIGURES DO NOT ACCOUNT FOR THE SEVERAL THOUSAND VERBAL WARNINGS THAT ARE ISSUED ON A YEARLY BASIS.

WHEN WE LOOK AT THE NUMBER OF LAWS, RULES, PROCLAMATIONS, AND NEW PROGRAMS IMPLEMENTED ON A YEARLY BASIS AND REALIZE THAT THE MARINE PATROL SECTION HAS ONLY GROWN IN SIZE FROM FORTY (40) TO FIFTY-ONE (51) OFFICERS SINCE 1965, ONE STARTS TO RECOGNIZE THE INEQUITIES OF JOB MANDATE AND RESPONSIBILITY VERSUS ACTUAL PERSONNEL STAFFING.

IN ADDITION TO THE PREVIOUS MENTIONED MATERIAL, THERE EXISTS A STRONG POSSIBILITY OF THE ENACTMENT OF A RECREATIONAL SALTWATER FISHING LICENSE REQUIREMENT.

THIS STRATEGY CALLS FOR THE ADDITION OF FIVE (5) ENFORCEMENT OFFICERS ANNUALLY OVER THE NEXT FOUR (4) YEARS. THIS REQUEST IS PREDICATED ON PRESENT NEEDS AND ANTICIPATED FUTURE PROGRAMS, AND LEGISLATION. THE ADDITIONAL PERSONNEL WOULD ALLOW MARINE PATROL TO MEET THE CURRENT AND FUTURE EXPECTATIONS TO PROTECT THE PUBLIC HEALTH, DETER AND APPREHEND VIOLATORS, RESTORE STRESSED AND DEPRESSED FISH STOCKS, AND PROVIDE AN ADEQUATE LEVEL OF OFFICER SAFETY FOR THE DIVISION'S ENFORCEMENT PERSONNEL. IN ADDITION, MARINE PATROL WOULD BE IN THE POSITION OF HAVING THE ABILITY TO PROVIDE PATROL OF AREAS UNDER WATCH OR OF CONCERN MORE ROUTINELY.

A GREAT NUMBER OF RULES WILL BE ENACTED AND CHANGES MADE OVER THE NEXT TWO (2) TO FOUR (4) YEARS AS NORTH CAROLINA WORKS TOWARD IMPLEMENTATION OF THE FEDERAL ATLANTIC COASTAL FISHERIES COOPERATIVE MANAGEMENT ACT. AS NORTH CAROLINA WORKS TOWARD THIS GOAL, NORTH CAROLINA WILL ADJUST AND ADAPT IN ORDER TO COME INTO COMPLIANCE WITH THE FISHERY MANAGEMENT PLAN OF THE ATLANTIC STATES MARINE FISHERIES COMMISSION. A POSITIVE SPINOFF OF THIS ASSOCIATION WILL BE THE POSSIBILITY OF ACQUIRING FEDERAL EQUIPMENT AND FUNDING.

WORKSHEET 11. EXPANSION BUDGET REQUEST

2 BUDGET CODE: 14300		DEPARTMENT: EMM		Priority No		3 of 22	
3 FUND NUMBER: 1325		FUND TITLE: MARINE PATROL		DIVISION/ INSTITUTION:		MARINE FISHERIES	
4 PROGRAM NUMBER: 5310		PROGRAM TITLE: PROTECT AND MANAGE MARINE RESOURCES					
5 TITLE OF REQUEST: MARINE PATROL INCREASE IN PERSONNEL AND EQUIPMENT REPLACEMENT				1995-96 1996-97			
6a STATUTORY CHANGES/SPECIAL PROVISIONS REQUIRED TO IMPLEMENT?				6b TOTAL REQUIREMENTS 1,281,892 1,350,423			
7a YES NO X				7b TOTAL RECEIPTS 0 0			
8a IF YES, ATTACH A COPY OF THE DRAFT.				8b APPROPRIATION 1,281,892 1,350,423			
9a				9b TOTAL POSITIONS 7.0 14.0			
10							

NEED: Presently there are a number of areas that require funding to bring the M.C. Marine Patrol up to an acceptable level of operation. These areas include up-grading the present communications system (which is utilized by all sections of the DMF), boats, motors, and trailers assigned to the Marine Patrol, uniforms utilized by officers of the Marine Patrol, existing budgetary short falls experienced since the reorganization in August of 1993, and additional personnel, equipment, and training.

CHANGE TO PRESENT STRATEGY: This request provides the funding necessary to upgrade the existing communications system of the DMF. In addition, this request provides for up-grading the status of the existing small boat fleet of the Marine Patrol. Provisions have been incorporated in this request to rectify problems associated with the reorganization in August of 1993 (DDA Travel). Requests have been made to increase staffing of the Marine Patrol by five officers over a four-year period (1994-98). This request allows for expediting the staffing of the Marine Patrol over a period of two years (1995-97). In addition, this request provides for the necessary equipment associated with the expansion and training of all Marine Patrol personnel.

ANTICIPATED OUTCOMES: The anticipated outcome of this request is to provide a staffing level for the Marine Patrol that is consistent with the job task mandate. In addition, the communication, equipment, uniform, and budgetary needs of the Marine Patrol would be brought to a level providing for the continuation and expansion of services provided to the citizens of North Carolina and protection of our valuable fisheries resource.

MEASURES: 5.5. 143-3.5

Description	New/ Existing	Actual Authorized		Priority No					
		1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	
Increase the number of patrol hours by boat.	Continuation Expansion E Revised	65,392	73,922	73,922 9,561 83,503	83,503 9,561 93,064	93,064 0 93,064	93,064 0 93,064	93,064 0 93,064	
Increase the number of training hours per officer.	Continuation Expansion E Revised	12	54	56 16 72	72 16 88	88 0 88	88 0 88	88 0 88	
Improve efficiency of communications center.	Continuation Expansion Revised	0.75	0.75	0.75 0.25 1	1 0 1	1 0 1	1 0 1	1 0 1	
Providing officers with 10% of necessary uniforms.	Continuation Expansion M Revised	0.5	0.6	0.6 0.4 1	0.6 0.4 1	0.6 0.4 1	0.6 0.4 1	0.6 0.4 1	
Placement of boats, towers and trailers.	Continuation Expansion M Revised	48	52	52 13 59	59 13 66	66 6 66	66 6 66	66 6 66	
Rest/conviction ratio.	Continuation Expansion E Revised	0.9	0.9	0.9 0 0.9	0.9 0 0.9	0.9 0 0.9	0.9 0 0.9	0.9 0 0.9	
Census checks.	Continuation Expansion E Revised	48,119	54,396	54,396 7,323 61,719	61,719 7,323 69,042	69,042 0 69,042	69,042 0 69,042	69,042 0 69,042	

(See: Attach a graphic if necessary to explain the change in measures. Indicate if this is a New (N) or Existing Measure (E).)

BUDGET: 6.5. 143-3.5 Detail of budget is to be provided at the SAS Agency Management Report detail level.

Priority No 3 of 22

REQUIREMENTS:

OBJECT NO.	OBJECT TITLE	1995-96	1996-97	1997-98	1998-99	1999-00
14 1211	SALARIES-APP	173,595	347,186	347,186	347,186	347,186
1811	SOCIAL SECURITY-APP	13,280	26,560	26,560	26,560	26,560
1881	LEO RETIREMENT CONT-APP	27,706	55,412	55,412	55,412	55,412
1831	HOSPITAL INS-APP	12,152	24,304	24,304	24,304	24,304
2130	CLOTHING AND UNIFORMS	25,000	25,000	25,000	25,000	25,000
3112	TRAVEL-IN-SIES-APP	7,000	7,700	7,700	7,700	7,700
3115	OOA TRAVEL	192,840	284,640	284,640	284,640	284,640
3951	EMPLOYEE TRAINING EXP	118,000	42,300	42,300	42,300	42,300
5430	BOATS, MOTORS AND TRAILERS	150,000	150,000	150,000	150,000	150,000
5500	OTHER EQUIPMENT	562,321	387,321	100,000	100,000	100,000

Actual Authorized 1,281,892 1,350,423 1,063,102 1,063,102 1,063,102

1993-94 1994-95

15	Requirements	0	1,281,892	1,350,423	1,063,102	1,063,102	1,063,102
16	Number of F.T.E.*	0.0	0.0	7.0	14.0	14.0	14.0

RECEIPTS:

17						
18	Receipts	0	0	0	0	0
19	APPROPRIATION	1,281,892	1,350,423	1,063,102	1,063,102	1,063,102
20	CASH BALANCE	1,281,892	1,350,423	1,063,102	1,063,102	1,063,102

* Complete Detail information for total positions requested on the following page.

Requested: Detail of the positions included in this expansion request. Priority No

3 of 22

21	GRADE	CLASSIFICATION/EFFECTIVE DATE:	1995-96 F.T.E	1996-97 F.T.E	Annual Salary**	1995-96 Budgeted Salary	1996-97 Budgeted Salary
67	MARINE FISHERIES ENFORCEMENT OFFICER	11/7/1/95	7.000	7.000	173,593	173,593	173,593
67	MARINE FISHERIES ENFORCEMENT OFFICER	11/7/1/96	0.000	7.000	173,593	0	173,593

22

** Minimum level salary for the classification requested unless supporting OSP documentation attached.
Total F.T.E.'s equal the number of total F.T.E.'s shown on page 3 line 16 of this request.

23 DOES THIS EXPANSION REQUEST RELATE TO A CAPITAL IMPROVEMENT PROJECT? YES NO X
24 IF YES, TITLE OF C.I. PROJECT: YES NO X
25 C.I. BUDGET CODE: ITEM NUMBER: PROJECTED COMPLETION DATE:

SPACE REQUIREMENTS: 6.5. 120-36.7 (c)

26 DOES THIS REQUEST REQUIRE ADDITIONAL SPACE?

27 Type of Space: Office Storage Other YES NO X IF YES, COMPLETE THE FOLLOWING:
28 Additional Square Footage Acquired 1995-96 1996-97 1997-98 1998-99 1999-00
29 Estimated Cost of Space Requirements.

Submit 6 copies on 8 1/2 x 11-inch buff paper.

Priority No 3 of 22

DIVISION/ INSTITUTION: MARINE FISHERIES

DEPARTMENT: ENVR

FUND TITLE: STATISTICS & INFORMATION MANAGEMENT

PROGRAM TITLE: PROTECT AND MANAGE MARINE RESOURCES

BUDGET CODE: 14300
3 FUND NUMBER: 1320
4 PROGRAM NUMBER: 5310
5 TITLE OF REQUEST: TRIP TICKET PROGRAM

6a STATUTORY CLAIMS/SPECIAL PROVISIONS REQUIRED TO IMPLEMENT?

7a YES NO X

8a IF YES, ATTACH A COPY OF THE DRAFT.

9a

	1995-96	1996-97
6b TOTAL REQUIREMENTS	250,000	250,000
7b TOTAL RECEIPTS	0	0
8b APPROPRIATION	250,000	250,000
9b TOTAL POSITIONS	5.0	5.0

NEED/RESPONSE: In July 1993, 6.5. 113-154.1 was passed requiring seafood dealers to report all seafood landings. The law also created the Fisheries Information System (Trip Ticket Program) to collect, process, and disseminate the information. The commercial harvest data collected through this program is the foundation for current and future fisheries management. It is the only source of commercial landings data which are used to develop most regulations, monitor fish populations, and track catch quotas. The receipts from the sale of the Endorsement to Sell, also implemented by 6.5. 113-154.1, have not been adequate to fund the program; implementation and will not be great enough to continue the program. The Division, after 9 months of implementation, has not been able to completely staff the program. Two key positions are vacant (including the program coordinator), and three more are in temporary positions funded by a one-year federal grant. Three other positions are on federal funding, with future continuation uncertain. Effects on the program include data not available to fishery management agencies after 9 months of implementation, dealers not being supplied the required card printers, and new forms for 1995 not being designed and printed.

OUTCOME/CHANGE: The appropriation of two hundred fifty thousand dollars (\$250,000) to fund the Trip Ticket Program would allow the Division to operate this mandatory program at the level needed to provide required data for fisheries management. The appropriation would be used to fund the positions left vacant due to the shortfall of license receipts, fund positions on short-term federal grants, and fund operating costs of the program. This legislation would ensure the availability of commercial harvest data collected at the level required by current and future fisheries management. These data collected are critical to future management on both the state and federal level (i.e., license moratoria, effort control, quota management, and other).

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

S/H

D

95-RD\$-005(12.1)

(THIS IS A DRAFT AND NOT READY FOR INTRODUCTION)

Short Title: Continue Shellfish Enhancement Funds. (Public)

Sponsors: .

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO APPROPRIATE FUNDS TO THE COOPERATIVE INSTITUTE FOR
3 FISHERIES OCEANOGRAPHY TO CONTINUE THE SHELLFISH ENHANCEMENT
4 PROGRAM.
5 The General Assembly of North Carolina enacts:
6 Section 1. There is appropriated from the General Fund
7 to the Board of Governors of The University of North Carolina the
8 sum of three hundred fifty thousand dollars (\$350,000) for the
9 1995-96 fiscal year and the sum of two hundred fifty thousand
10 dollars (\$250,000) for the 1996-97 fiscal year for the
11 Cooperative Institute for Fisheries Oceanography to continue to
12 operate a shellfish enhancement program. Funds appropriated
13 under this section may be used for personnel and administrative
14 costs.
15 Sec. 2. This act becomes effective July 1, 1995.

by

Charles H. Peterson, PhD
UNC Institute of Marine Sciences
Morehead City, NC

As the completion of our three-year project on shellfish restoration in North Carolina approaches, it is clear that our restoration of bay scallops has been successful and also that scientific information has now been produced by our work that assesses the effectiveness of hard clam restoration options in North Carolina so that policy makers can now decide on whether to institute hatchery augmentation of wild clam stocks. It has become evident as well that much additional scientific work will be required to further the goal of restoration of oysters. This is the resource that is most depleted and in most serious trouble among the shellfish resources of the state. The habitat for oysters is the most widespread and common throughout the coastal counties so the economic and social pay-offs from its restoration can be tremendous. In addition, restoration of oysters would have wide-reaching positive impacts on the coastal estuarine ecosystems because oysters improve water quality by their filtration action and provide natural reef habitat for important fishes. Here we describe the additional technical information needs necessary for eventual oyster restoration, based upon results of our feasibility tests of the previous year.

1. Survey of water quality barriers to oyster restoration

Our work in the lower Neuse River estuary has revealed that anoxic events in the bottom waters of that water body were of sufficient duration in 1994 as to create at our study sites a biological dead zone and to kill all oysters on the bottom below a depth of about 4 m. These anoxic events are known to occur naturally in the Albemarle/Pamlico system, but the extent, intensity, and duration of anoxia events are likely to have been enhanced by the increasing eutrophication of this system. The eutrophication is caused by injection of nutrients from terrestrial run-off and municipal and industrial wastewater into the tributaries of the system. Resulting algal blooms sediment to the estuarine seafloor, where the decomposition depletes available oxygen and creates severe stress for animals near the bottom. Areas of the lower Neuse River that once supported natural reefs of oysters in deeper water, as evidenced by the remains of shells of oysters, cannot now be used for oyster production without tremendous reconstruction and elevation of the now degraded reef structures because of the incompatibility with the water quality problems.

While restoration of the state's coastal water quality needs to become a high priority, this will not be achieved in the short term. There is substantial cost and major societal choices involved in addressing the non-point sources of water quality degradation, namely the clean-up of storm water, and agricultural and silvicultural run-off. Consequently, in order to restore oyster production to this system as soon as possible, it is critical to augment an earlier APES survey of water quality in the Albemarle/Pamlico system so as to be able to identify those areas where restoration can be successfully instigated. There is no sense in conducting reef restoration in an area where seasonal anoxia occurs over such a thick layer of bottom waters and lasts long enough to kill the oysters. We need to know how thick and how geographically extensive the anoxic bottom layer is during anoxic events in this system. We propose to employ a grid of instruments at potential oyster restoration sites throughout the shores of the Albemarle/Pamlico system and to sample intensively during anoxia events to evaluate the geographic extent and the vertical extent in the water column of the region now subjected to seasonal anoxia in excess of about two weeks duration (the time period necessary to kill oysters). The sampling design will be constructed on the basis of physical oceanographic models of estuarine circulation and stratification, so as to position the sampling instruments in a fashion that maximizes our ability to extrapolate from the results. This program to assess where oysters can now find adequate water quality to survive must precede any large-scale attempt at restoration.

2. Pilot restoration of model oyster reefs

Because the problems with anoxia do not occur in shallow-water areas that are exposed to good wind mixing, it is possible to identify with confidence some potential sites for oyster reef restoration that are free from water-quality constraints. We also now know from our feasibility tests of the past year that the mound reef structures provided by the shells of oysters are critical to oyster success. Thus, it is now possible to select some specific sites throughout the state's coast for pilot oyster reef restoration efforts as a means of demonstrating the potential for restoration of an economically, culturally, and socially significant natural resource of the state. We propose to establish a partnership between the university, government at local and state levels, fishing organizations, business and industry, and environmental groups to identify and support the restoration of natural oyster reef production and function in probably five pilot sites, likely to be in Dare, Hyde, Carteret, Pender, and Brunswick Counties. We will then conduct these oyster reef restoration projects in conjunction with the Division of Marine Fisheries and will monitor their effectiveness. This monitoring will include not only the settlement, growth, and survival of the oysters but also the broader ecosystem contributions of a functional oyster reef habitat. Oysters by their filtering activities can have important positive effects on water quality, which will be assessed. The current decline in

oysters in the Pamlico Sound may well be responsible for the recent disappearance of submersed aquatic vegetation (SAV) along most of the shorelines. We will test this possibility by test planting of these important fish nursery habitats in areas with and without restored oyster reefs. Furthermore, the reefs of oysters and associated bottom organisms provide habitat themselves for commercially and recreationally important fishes, such as red drum, speckled trout, striped bass, and gray trout. It may not be coincidental that these species that are associated with oyster reef habitat include some of the most seriously depleted stocks in our state. Through sampling of habitat use before and after reef restoration, we will evaluate the effects of reef restoration on use by important fishes.

3. Final sampling and analysis of oyster harvest experiments

During the present legislatively supported project on shellfish restoration and management, we have constructed in conjunction with the Division of Marine Fisheries several experimental oyster reefs of differing sizes and shapes. Once the oysters have reached harvestable size on those reef structures that are successful, we are initiating a test of how alternative harvest gears and practices affect the habitat structure and subsequent oyster production on those reefs. The first set of experimental reefs will be opened for fishing this winter (1994-95), but our sampling of effects on reef structure and oyster production must necessarily continue into summer and autumn of 1995. Consequently, we seek support to complete the sampling and analysis of this set of experiments. The basic message here is that re-establishment of reef structures and oyster production on those reefs is not sufficient without the long-term protection of those reefs and that this protection must itself be made compatible with intended use of the resource. This broader objective requires the completion of the studies that we have initiated on how harvest alternatives influence reef structure and function.

4. Implementing recommendations of Blue Ribbon Oyster Panel

The seriousness and importance of the problems with the oyster resource throughout the state have led to the establishment by the legislature of a Blue Ribbon Oyster Panel to evaluate the situation and make recommendations for solutions. This committee will conclude its work in mid 1995. In the absence of some vehicle for providing financial resources to begin to carry out those recommendations, little progress on implementing the panel's recommendations would be able to proceed until the start of the succeeding fiscal year in July 1996. Because it seems almost certain that the recommendations of this panel will include some oyster restoration work in the field, we propose that a modest amount of funding be made available in our program to begin to implement the most important recommendations of the Blue Ribbon Oyster Panel immediately in 1995-96 without

delays for funding. Our group of researchers at the Institute of Marine Sciences and of fisheries managers in shellfish management at the Division of Marine Fisheries is the only group in the state with knowledge and experience in oyster restoration, so it is reasonable to assume our involvement in implementing the restoration recommendations of this panel.

We project the costs of this oyster restoration project to be about \$300,000 for the first and \$200,000 for the second of the two fiscal years (1995-96 and 1996-97) to achieve goals 1-3. It is difficult to estimate the costs involved in the fourth goal because the panel recommendations are not yet available, but \$50,000 in each of those two fiscal years might provide a reasonable sum to at least initiate action on those recommendations. Thus, the total costs would be \$350,000 in 1995-96 and \$250,000 in 1996-97. These cost estimates do not include funding for the shell cultch materials or costs of equipment and personnel for the collaborating shellfish management program of the Division of Marine Fisheries. That essential program is funded through a different budget.

BUDGET FOR SHELLFISH ENHANCEMENT PROJECT

	1995-6	1996-7	2-year Total
I. Personnel - Salaries and Wages			
A. C. H. Peterson, Professor (P.I.) 2 mo. each yr.	\$16,600	\$16,600	\$33,200
B. Postdoctoral Researcher, 12 mo. each yr.	\$29,000	\$30,000	\$59,000
C. Two Research Assistants, 12 mo. each yr.	\$53,767	\$55,045	\$108,812
D. Graduate student labor	\$25,000	\$25,000	\$50,000
E. Temporary technical labor, hourly fishermen labor	\$41,000	\$32,000	\$73,000
F. Summer undergraduate	\$12,000	\$12,000	\$24,000
Total Salaries and Wages	\$177,367	\$170,645	\$348,012
Benefits (19% plus 144.60/mo. for A, C, 7.65% for B, D, E, F)	\$25,315	\$24,946	\$50,260
TOTAL PERSONNEL	\$202,682	\$195,591	\$398,272
II. Supplies (Including seed shellfish purchases)			
A. Seed shellfish			
1. Oysters (1.5 million, \$.027 16-20 mm)	\$20,000	\$0	\$20,000
B. Field supplies (dredge parts, bags, wetsuits, rebar stakes, anchors, floats bouys, trawl net)	\$20,000	\$5,000	\$25,000
C. Lab supplies (preservative, pans, light bulbs, bottles, dye stains, chemicals, computer paper, discs, software, etc.)	\$4,000	\$4,000	\$8,000
TOTAL SUPPLIES	\$44,000	\$9,000	\$53,000
III. Equipment			
A. Computer work station	\$5,000	\$0	\$5,000
B. Seabird CTD	\$12,000	\$0	\$12,000
C. InterOcean S-4 current meter	\$20,000	\$0	\$20,000
D. Hobotemp light-temperature gauges	\$8,000	\$0	\$8,000
E. Profiler CTD	\$8,000	\$0	\$8,000
TOTAL EQUIPMENT	\$53,000	\$0	\$53,000
IV. Dive physicals	\$7,500	\$2,500	\$5,000
V. Travel (In-state)	\$14,000	\$14,000	\$28,000
VI. Vehicle, boat, equipment repairs	\$3,000	\$4,000	\$7,000
VII. Insurance for instruments and truck	\$3,000	\$3,000	\$6,000
TOTAL DIRECT COSTS	\$322,182	\$228,091	\$550,272
VI. Indirect costs (10% of MTDC = \$497,272)	\$27,818	\$21,909	\$49,727
TOTAL COSTS	\$350,000	\$250,000	\$600,000 *

*This sum is matched by \$150,000 from private sources

CAROLINA

NEWS

NEWS SERVICES

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Nov. 23, 1994 -- NO. 776

**UNC-CH professor will attempt
to restore estuarine habitats**

By LAURA CALLISTER
UNC-CH News Services

CHAPEL HILL -- A University of North Carolina at Chapel Hill marine scientist has been named one of 10 1994 Pew Scholars in Conservation and the Environment and will receive a three-year \$150,000 grant.

Dr. Charles H. Peterson, professor at the Institute of Marine Sciences in Morehead City, will use the grant to improve scientific understanding of how to restore two badly degraded estuarine habitats -- oyster reefs and submerged aquatic vegetation.

"North Carolina, like other East and Gulf coastal states, has experienced dramatic recent declines in both underwater vegetation and oyster reef habitats," Peterson said. "Degradation of these habitats is responsible for declines in coastal fisheries and substantial reduction in goods and services produced by the coastal ecosystem."

North Carolina's coast contains only about 1 percent of the number of oysters present in the early 1900s, and that has had severe ecological, economic, social and cultural consequences, the scientist said.

"Oysters have had a long history in the eastern part of the state," he said. "They are a part of North Carolina's heritage that has been cruelly and sadly diminished."

As both a researcher and a member of several state regulatory boards, Peterson plans to help develop and implement environmental regulations for coastal water quality and estuarine fisheries.

"Most scientific work outside the system as agitators or advisers," Peterson said. "I have a special opportunity to work within the system as a manager and therefore can integrate the natural science understanding to help create scientifically sound regulations."

(More)

DRAFT FOR REVIEW ONLY

Legislative Proposal VI

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

H or S

D

95-LC-019(1.1)

(THIS IS A DRAFT AND NOT READY FOR INTRODUCTION)

Short Title: Aquaculture Sales Tax Exemption.

(Public)

Sponsors: .

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE THAT SALES TAX PREFERENCES FOR AGRICULTURE
3 APPLY TO AQUACULTURE.

4 The General Assembly of North Carolina enacts:

5 Section 1. G.S. 105-164.3 is amended by renumbering
6 subdivision (1) as subdivision (2) and adding the following
7 definitions in the appropriate alphabetical order:

8 "(1) Aquaculture. -- Defined in G.S. 106-758.

9 (1.1) Aquaculture facility. -- Defined in G.S. 106-758.

10 (1.2) Aquatic species. -- Defined in G.S. 106-758."

11 Sec. 2. G.S. 105-164.4(a)(1d) reads as rewritten:

12 "(1d) The rate of one percent (1%) applies to the sales
13 price of the following articles. The maximum tax
14 is eighty dollars (\$80.00) per article.

15 a. Sales of machines and machinery, whether
16 animal or motor drawn or operated, and parts
17 and accessories for these machines and
18 machinery, to farmers, dairy operators,
19 poultry farmers, egg producers, livestock
20 farmers, and aquatic species farmers for use
21 by them in the planting, cultivating,
22 harvesting, or curing of farm crops, in the
23 production of dairy products, poultry, eggs,
24 or livestock, or in aquaculture. Items that

1 are exempt from tax under G.S. 105-164.13(4c)
2 are not subject to tax under this section.
3 ~~such machines and machinery to farmers for use~~
4 ~~by them in the planting, cultivating,~~
5 ~~harvesting or curing of farm crops, and sales~~
6 ~~of machines and machinery and parts and~~
7 ~~accessories for such machines and machinery to~~
8 ~~dairy operators, poultry farmers, egg~~
9 ~~producers, and livestock farmers for use by~~
10 ~~them in the production of dairy products,~~
11 ~~poultry, eggs or livestock, except such~~
12 ~~machines, machinery, equipment, parts, and~~
13 ~~accessories that come within the provisions of~~
14 ~~G.S. 105-164.13(4c).~~

15 The term 'machines and machinery' as used
16 in this subdivision is defined as follows:

17 The term shall include all vehicular
18 implements, designed and sold for any use
19 defined in this subdivision, which are
20 operated, drawn or propelled by motor or
21 animal power, but shall not include vehicular
22 implements which are operated wholly by hand,
23 and shall not include any motor vehicles
24 required to be registered under Chapter 20 of
25 the General Statutes.

26 The term shall include all nonvehicular
27 implements and mechanical devices designed and
28 sold for any use defined in this subdivision,
29 which have moving parts, or which require the
30 use of any motor or animal power, fuel, or
31 electricity in their operation but shall not
32 include nonvehicular implements which have no
33 moving parts and are operated wholly by hand.

34 The term shall also include metal flues
35 sold for use in curing tobacco, whether such
36 flues are attached to handfired furnaces or
37 used in connection with mechanical burners.

- 38 b. Sales of mill machinery or mill machinery
39 parts and accessories to manufacturing
40 industries and plants, and sales to
41 contractors and subcontractors purchasing mill
42 machinery or mill machinery parts and
43 accessories for use by them in the performance
44 of contracts with manufacturing industries and

plants, and sales to subcontractors purchasing mill machinery or mill machinery parts and accessories for use by them in the performance of contracts with general contractors who have contracts with manufacturing industries and plants. As used in this paragraph, the term "manufacturing industries and plants" does not include delicatessens, cafes, cafeterias, restaurants, and other similar retailers that are principally engaged in the retail sale of foods prepared by them for consumption on or off their premises.

- c. Sales of central office equipment and switchboard and private branch exchange equipment to telephone companies regularly engaged in providing telephone service to subscribers on a commercial basis, and sales to these companies of prewritten computer programs used in providing telephone service to their subscribers.
- d. Sales to commercial laundries or to pressing and dry cleaning establishments of machinery used in the direct performance of the laundering or the pressing and cleaning service and of parts and accessories thereto.
- e. Sales to freezer locker plants of machinery used in the direct operation of said freezer locker plant and of parts and accessories thereto.
- f. Sales of broadcasting equipment and parts and accessories thereto and towers to commercial radio and television companies which are under the regulation and supervision of the Federal Communications Commission.
- g. Sales to farmers of bulk tobacco barns and racks and all parts and accessories thereto and similar apparatus used for the curing and drying of any farm produce.
- h. Sales to farmers of grain, feed or soybean storage facilities and accessories thereto, whether or not dryers are attached, and all similar apparatus and accessories thereto for the storage of grain, feed or soybeans.

1 i. Sales of containers to farmers or producers
2 for use in the planting, producing,
3 harvesting, curing, marketing, packaging,
4 sale, or transporting or delivery of their
5 products when such containers do not go with
6 and become part of the sale of their products
7 at wholesale or retail."

8 Sec. 3. G.S. 105-164.13(2) reads as rewritten:

9 "(2) Seeds; remedies, vaccines, medications, litter
10 materials, and feeds for livestock and ~~poultry~~;
11 poultry and for commercially raised aquatic
12 species; rodenticides, insecticides, herbicides,
13 fungicides, and pesticides for livestock, poultry,
14 aquaculture, and agriculture; defoliant for use
15 on cotton or other crops; plant growth inhibitors,
16 regulators, or stimulators for aquaculture or
17 agriculture including systemic and contact or
18 other sucker control agents for tobacco and other
19 crops."

20 Sec. 4. G.S. 105-164.13(4c) reads as rewritten:

21 "(4c) Commercially manufactured swine, livestock, and
22 poultry facilities and commercially manufactured
23 aquaculture facilities to be used for commercial
24 purposes for housing, raising, or feeding of
25 swine, livestock, aquatic species, or poultry or
26 for housing equipment necessary for these
27 commercial activities; building materials,
28 supplies, fixtures, and equipment to be used in
29 the construction, repair, or improvement and that
30 become a part of an enclosure or structure
31 specifically designed, constructed and used for
32 such above commercial purposes; and commercially
33 manufactured swine, livestock, ~~and poultry~~
34 poultry, and aquaculture equipment, parts and
35 accessories therefor placed or installed in or
36 affixed to ~~such~~ these facilities, enclosures, or
37 structures."

38 Sec. 5. This act becomes effective July 1, 1995.

NORTH CAROLINA GENERAL ASSEMBLY
LEGISLATIVE FISCAL NOTE

BILL NUMBER: 95-LC-019(1.1)
SHORT TITLE: Aquaculture Sales Tax Exemption
SPONSOR(S): Aquaculture Study Committee

FISCAL IMPACT: Expenditures: Increase () Decrease ()
 Revenues: Increase () Decrease (X)
 No Impact ()
 No Estimate Available ()

FUND AFFECTED: General Fund (X) Highway Fund () Local Govt. (X)
 Other Funds ()

BILL SUMMARY:

The proposed act extends the sales and use tax exemption to commercially manufactured aquaculture facilities. Swine, livestock, and poultry facilities are currently exempt from sales and use tax under G.S. 105-164.13(4c).

EFFECTIVE DATE: July 1, 1995

PRINCIPAL DEPARTMENT(S)/PROGRAM(S) AFFECTED:
Department of Revenue Sales and Use Tax Division

FISCAL IMPACT
Estimate

	<u>FY</u> 95-96	<u>FY</u> 96-97	<u>FY</u> 97-98	<u>FY</u> 98-99	<u>FY</u> 99-00
REVENUES:					
GENERAL FUND		Estimated loss:	Less than \$50,000	a year	

ASSUMPTIONS AND METHODOLOGY:

The estimate assumes 3 farms and 50 acres in ponds could be constructed in the State each year for the next five years at a cost of \$250,000 per farm and \$3,000 per acre.

SOURCES OF DATA:

NCSU Cooperative Extension Service

FISCAL RESEARCH DIVISION

733-4910

PREPARED BY: H. Warren Plonk

APPROVED BY:

DATE: November 21, 1994

[FRD#001]



James A. Graham
Commissioner

North Carolina
Department of Agriculture

Thomas W. Ellis, III
Director

Aquaculture and Natural Resources

November 21, 1994

Ms. Sheri Evans-Stanton, Commission Counsel
Joint Legislative Study Commission on
Seafood and Aquaculture
N. C. General Assembly
545 Legislative Office Building
Raleigh, N. C. 27603-5925

Dear Sheri:

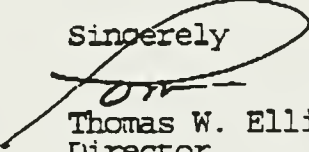
Thank you for the opportunity to review the draft legislation to specifically include aquaculture in several tax provisions which are applicable to agriculture. I have reviewed this and wish to fully support the inclusion of aquaculture as proposed. Over the past few years we have received numerous requests from local tax collectors, the Department of Revenue and private suppliers regarding the "agricultural status" of aquaculture. These changes will be quite valuable in providing the necessary clarification.

Please express the Department of Agriculture's support for this proposal. I will be unable to attend the meeting tomorrow. David McLeod may attend and would be able to respond on behalf of the Department.

Thank you again for your efforts on behalf of the aquaculture industry in North Carolina.

With all best wishes.

Sincerely


Thomas W. Ellis III
Director

